

AGRICULTURAL OUTLOOK

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July 1991



AGRICULTURAL OUTLOOK



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News of Farm Income, U.S. Exports, California Drought, Labeling Standards, and the World Grain Outlook

Farmers' cash receipts this year are unlikely to top 1990's record, and government payments are expected to fall. So even the relatively small increases expected in expenses will bring net incomes down.

For 1991, net cash income is forecast to be \$52-\$57 billion, a drop of \$1-\$6 billion from 1990. Net farm income is expected to dip \$2-\$7 billion from last year to \$40-\$45 billion. Net cash income measures commodities sold in a calendar year plus government payments less cash costs. Net farm income measures the value of production plus government payments minus all costs in a calendar year.

Net farm income is dropping more than net cash income this year because several noncash income items (such as the value of unsold commodities) are expected to show moderate declines.

The weaker commodity sales in 1991 reflect forecasts for lower U.S. agricultural exports—down \$3.1 billion in fiscal 1991 from \$40.1 billion a year earlier. Export volume is also forecast lower, down 20 million tons from 149 million in 1990.

World trading prices are turning out to be weaker than a year earlier, and the U.S. share of world agricultural trade is shrinking. Reduced grain exports account for much of the expected drop, following a year of record world wheat production, record grain production in China, and a near-record Soviet grain crop.

These forecasts were prepared before the recent announcement of an offer of an additional \$1.5 billion in U.S. credit guarantees to the Soviet Union. However, only \$600 million of those credits would be allocated for this fiscal year.



The global outlook is for slower economic growth, which will also restrain total exports. However, with world grain production likely to shrink, grain trade may show a modest gain over 1990/91. Structural changes in the Soviet Union and Eastern Europe, and uncertainty over exporters' policies, are wild cards for the world grain trade outlook.

California growers are working through a fifth year of drought. Despite the tremendous rains in March, irrigation water supply shortages continue. Yet the impacts on the state and nation will be relatively small, thanks to a new market-oriented water transfer procedure called the water bank, a sophisticated water infrastructure, and groundwater resources.

The drought is serious enough, however, to cut California's output of some commodities and the incomes of some farmers and related businesses. As the

declining supply and increasing price of water shrink farm output and squeeze profits in some parts of the state, local business activity is slowing in communities where agriculture is a significant part of the economy.

Consumers can expect to see some concerns about nutrition labeling addressed in the coming months. USDA's Food Safety and Inspection Service and the Food and Drug Administration are working together to provide new standards for food labels. Last fall's passage of the Nutrition Labeling and Education Act of 1990, plus USDA's recent decision to require nutrition labeling for processed meat and poultry products, will help consumers make more informed choices about the foods they buy.

Policies and market developments in several parts of the world are having significant effects on producers in other countries. For example, changing conditions in Southern Hemisphere wool markets have pushed down U.S. wool prices.

On the other side of the world, the EC's single internal market initiative (EC 1992) promises to alter the outlook for developing countries that export bananas. Among these countries, Latin American producers stand to gain the most (or lose the least) under the free trade policies of a single EC market.

In the U.S., the 1990 farm legislation has made market prices and returns more important for producers. While farmers who participate in the commodity programs now have more flexibility to shift the crops they grow, they are receiving government payments on a smaller proportion of their program acres.

Agricultural Economy



How Government Support Is Changing

Market returns are becoming more important for U.S. producers. Under the 1990 farm legislation, farmers who participate in the commodity programs have more flexibility to shift the crops they grow, but they now receive government payments on a smaller proportion of their program acres.

As a result, producers will rely more on market returns and less on government payments. Farmers seeking to maximize their profits will pay more attention to expected prices and market returns from alternative crops in deciding what to plant.

This move toward greater market orientation in U.S. agriculture started with the 1985 farm act. Faced with burdensome surpluses, Congress introduced more market orientation (to agricultural demand) by lowering loan rates for feed grains and wheat. And marketing loans were initiated for upland cotton and rice, allowing farmers to repay price-support loans at less than the loan rate when world prices fall below the loan rate.

As a result, the marketplace gained access to supplies that otherwise might be under loan, allowing both domestic use and exports to rise. Further, export demand was enhanced through promotion programs that countered the export subsidies of competitors and generated effective demand by importers.

Last year's farm legislation increases the market orientation of agricultural production. This shift toward greater reliance on markets will influence the amount of government support to the major program crops. The change in support can be measured by the percentage of U.S. program crop production covered by deficiency payments.

The approach here is based on "payment production," or the production covered by government payments. Payment production is estimated as total deficiency payments divided by the deficiency payment rate. The "percentage covered" is then estimated as payment production divided by actual production.

What Factors Affect Payment Coverage?

In the aggregate, farmers influence the degree of payment coverage by deciding whether to participate in commodity programs. Two other important factors affecting the degree of payment coverage are payment acreage and the program yields on which payments are based. Flex shifts, discussed in the next section, are also important.

"Program participation" is the percent of eligible base acres enrolled in a commodity program. Farmers have the greatest incentive to participate when the expected market price of a commodity is low compared to its target price and the required acreage reduction is relatively low. The percentage covered by government support becomes larger as more acres are signed up for participation—helping explain the higher percentage typically covered for rice than for corn.

"Payment acreage" refers to the participating acres on which farmers receive deficiency payments. Under both current and previous legislation, farmers receive

no payments on ARP acres (acres idled under the Acreage Reduction Program). Under new law, they also do not receive deficiency payments on certain flexibility acres, reducing payment coverage.

Under the 1990 farm legislation, "normal flex acres" are calculated as 15 percent of a producer's crop base. Participating farmers receive no payment on this land regardless of the crop planted. Participants receive payments on "optional flex acres"—another 10 percent of base—if planted to the original program crop, but not if planted to another crop. In general, a producer may plant any crop except fruits and vegetables on flex acres and still maintain base acreage.

Take a farmer with 100 acres of corn base facing a 7.5-percent national corn ARP. Under the 1985 act, the farmer would have received payments on 92.5 acres if corn were planted on that land.

Under 1990 legislation, the farmer will receive payments for corn on a maximum of 77.5 acres, but may plant another 15 acres to a different crop under the normal flex acreage provisions. Further, 10 of the 77.5 acres may be planted to different crops if the farmer is willing to reduce corn payment acres to 67.5.

"Program yields" also affect the amount of output covered by payments. Program yields have been frozen since the 1985 act. Consequently, with actual yields trending upward, farmers find that the fraction of their output covered by payments is less than if payments were based on actual yields. Program yields now represent less than 90 percent of record yields for each of the crops discussed here.

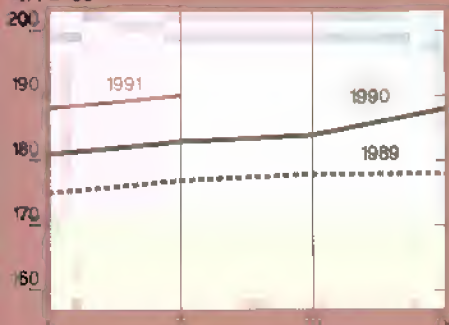
With program yields frozen, payment production does not vary with weather. However, weather does influence actual production, so the percentage covered can be affected. For instance, in severe drought years—such as 1988 for corn—more than 100 percent of production may be covered when actual yields fall below program yields.

Prime Indicators

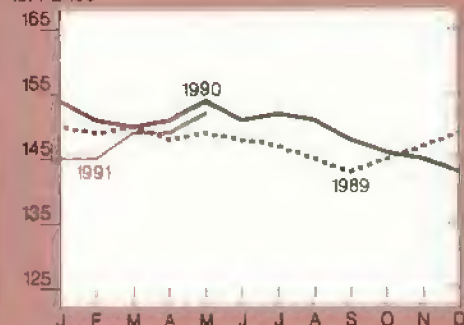
Agricultural Economy

Index of prices paid by farmers

1977 = 100

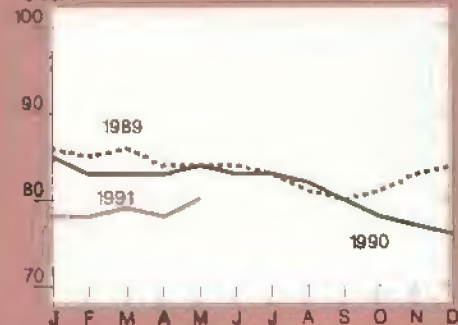
Index of prices received by farmers¹

1977 = 100

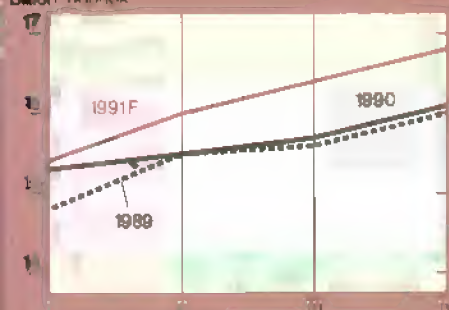


Ratio of prices received/prices paid

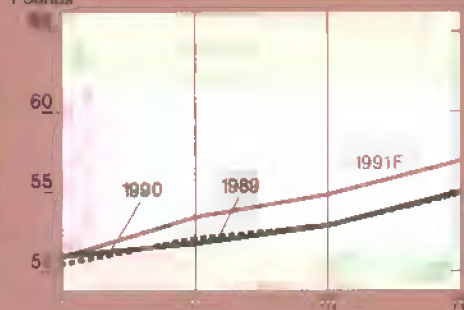
Percent

Total red meat & poultry production²

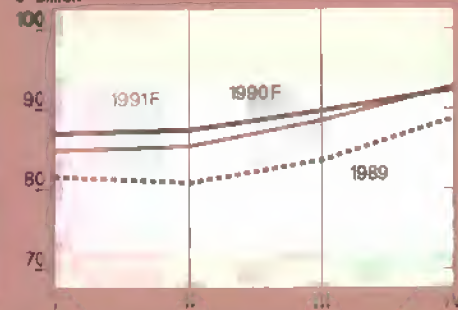
Billion pounds

Red meat & poultry consumption, per capita^{2,3}

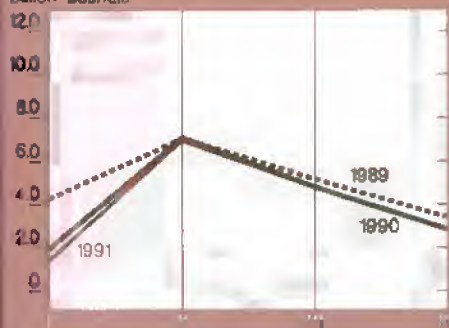
Pounds

Cash receipts from livestock & products⁴

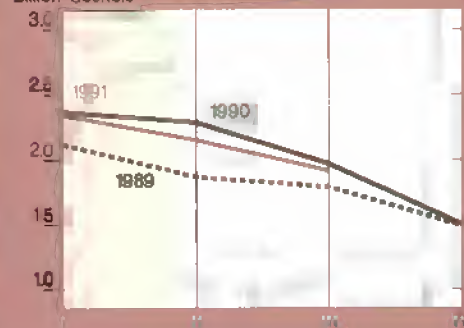
\$ billion

Corn beginning stocks⁵

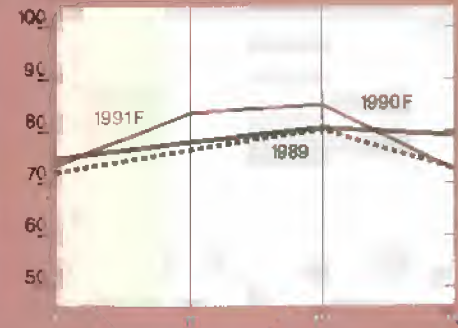
Billion bushels

Corn disappearance⁵

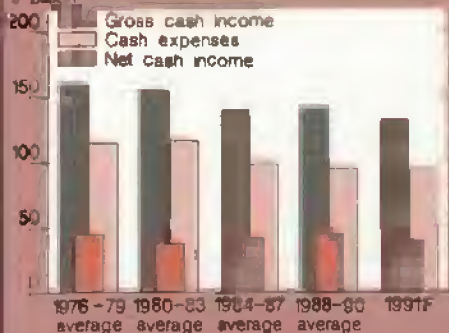
Billion bushels

Cash receipts from crops⁴

\$ billion

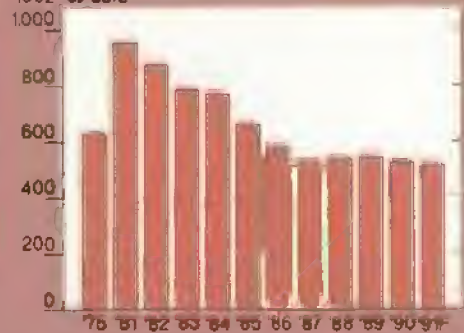
Real cash income⁶

\$ billion



Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent



¹For all farm products. ²Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts. ³Retail weight. ⁴Seasonally adjusted annual rate. ⁵I=Sept.-Nov.; II=Dec.-Feb.; III=Mar.-May; IV=June-Aug. ⁶Cash expenses plus net cash income equals gross cash income. F=forecast

Agricultural Economy

The Programs: Some Basics

For wheat and feed grains, a farm's crop acreage base is calculated as a 5-year moving average of acres planted and considered planted to that crop on the farm. For upland cotton and rice, however, a 3-year moving average is generally used. A farm may have different amounts of base acreage for several crops—such as 100 acres of wheat base and 200 acres of corn base.

To participate in the voluntary farm commodity programs and receive program benefits, a farmer must idle part of the farm's base acreage in that crop, equal to a specified Acreage Reduction Program (ARP) percentage. This land must be maintained in a conserving use.

Every year, USDA specifies an ARP percentage for each program crop. ARP's are set on a national basis but can vary across crops, and ARP acreage is a major component of the area "considered planted."

Farmers receive commodity program benefits, mainly in the form of deficiency payments. A farm's deficiency payment for each program crop is calculated as the product of three factors:

- **Payment acres**—Generally, base acres planted for harvest to that crop on the farm, except normal flex acres;
- **Program yield**—Determined by historical yields, and frozen at the 1985 level;
- **Payment rate**—The difference between the target price and the higher of the loan rate or the average market price for the months specified for the crop.

Favorable weather can have a substantial effect also, but in the opposite direction. Wheat yields were high in 1990, meaning that the gap between actual and payment yields was quite large. So the

Policies Affect Payment Coverage Ratio

Percent of output covered by government payments		Selected determinants
Ratio:		
	Payment production	Program participation
	Actual production	Payment acres
		Program yields
		Flex acreage shifts
		Weather

proportion of output receiving payments was relatively low.

Flex Effects Vary

The new flexibility provisions may have a sizable effect on the percentage covered. Since farmers now receive payments on fewer acres, payments cover a smaller portion of production in the aggregate. So, farmers' reliance on the market has increased overall.

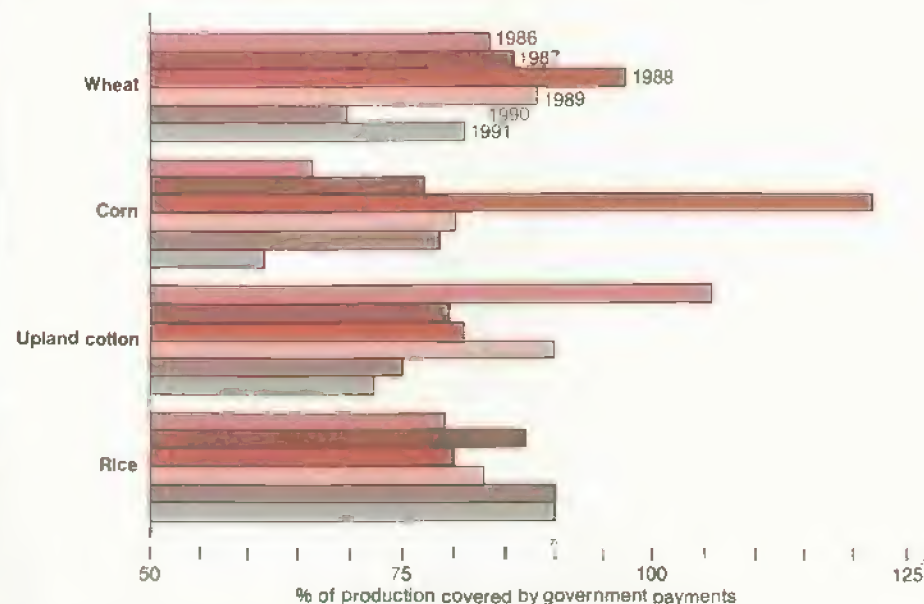
But the effects can vary among crops. Generally, the percentage covered will increase for crops that farmers are "flexing out" of, and will decline for those that farmers are "flexing into." For crops that are flexed into, nonpayment acres will be relatively larger.

The recent enrollment report for 1991 indicates that participants in the rice program, in particular, are flexing out of rice this year. Many of these growers may plant soybeans and cotton instead. In considering flexibility factors, the percentage covered would be less for cotton than for rice simply because cotton production from nonpayment acres would increase, while for rice, output from nonpayment acres would decrease.

This "flexing out" of rice is a major reason why the percent of rice production covered by payments is expected to remain relatively stable in 1991.

"Flexing out" of wheat helps explain why the percent of wheat production covered has not declined more. And

New Farm Legislation Affects Payment Coverage for Corn and Cotton



1990 estimated. 1991 forecast

even though farmers are flexing into cotton, the percent of cotton production covered by payments is expected to decline only slightly this year because of the likelihood of weather-reduced yields.

Because of policy shifts, government support for U.S. agriculture is likely to be lower during the 1990's than in the previous decade. But the percentage of output covered by payments also depends on farmers' decisions about program participation and use of flex acres. [Joy Harwood and Paul Westcott (202) 219-0840] **AO**

July Releases from USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

July

- 1 Farm Production Expenditure
1990 - Preliminary
- 2 Egg Products
Poultry Slaughter
- 8 Celery (1 p.m. report)
Dairy Products
- 9 Noncitrus Fruits & Nuts - Annual
- 11 Crop Production
- 15 Milk Production
Turkey Hatchery
- 18 Vegetables
- 19 Catfish
- 22 Eggs, Chickens, & Turkeys
- 23 Cattle on Feed
Cold Storage
Livestock Slaughter
- 24 Mink
- 29 Cattle
- 30 Peanut Stocks & Processing
Farm Number & Land in Farms
- 31 Agricultural Prices
Catfish Production

Livestock, Dairy & Poultry Overview

Fed cattle marketings are expected to rise through the third quarter due to the large inventories of cattle on feed and cattle in the heavyweight categories. As beef supplies increase, retail beef prices are expected to continue dropping from their April peak before advancing in the fourth quarter.

Higher hog slaughter numbers, along with heavier-than-average weights, will assure ample pork supplies this summer and limit any seasonal price advances. Barrow and gilt prices are expected to remain below last year.

Wholesale broiler prices will remain below last year this summer as large supplies continue to move to market. U.S. broiler exports in 1991 are forecast to drop 7 percent from a year earlier, mostly due to lower sales prospects to the Soviet Union.

Fed Cattle Marketings To Remain High

Fed cattle marketings are expected to remain high in the third quarter because of the expanded number of heavy cattle on feed. However, modest year-over-year increases in steer and heifer slaughter through May suggest second-quarter marketings may not reach the 6-percent year-over-year increase indicated in April's quarterly 13-state report.

Marketings from the seven monthly reporting states in May were 5 percent below a year earlier. However, April marketing reached a record 1.7 million head, 10 percent above a year earlier. The number of cattle on feed on June 1 of 8.6 million was the largest for this date since 1973. Placements during May were up 8 percent from last year's low

level, but unchanged from the 1972-89 average.

Federally inspected dressed cattle average weights, which have a strong seasonal tendency to continue increasing into the early fall months, set records in April.

Cattle slaughter in May was 5 percent below a year earlier. The slaughter mix this year contains a smaller proportion of cows and bulls but an expanded proportion of steers, which has contributed to the increase in average cattle dressed weights. Pasture and range conditions on June 1 were the best for this date since 1982 and should result in continued low beef cow slaughter.

Retail beef prices are expected to bottom during the summer from recent highs before advancing seasonally in the fourth quarter. Retail Choice beef prices during April, at \$2.97 per pound, were record high but have likely peaked for the year. Prices averaged \$2.96 in May and are expected to drop further this summer as beef supplies expand and retailers feature more beef specialties.

Live steer prices are forecast to drop this summer before rising in the fourth quarter. Prices have eased from April's high, which averaged nearly \$81 per cwt, to around \$78 in May and \$74.50 in mid-June.

Reduced numbers of cows in the slaughter mix and tighter supplies of processing beef are expected to lead to a smaller drop in Utility cow prices this summer than is expected for fed cattle prices.

Stocker and feeder cattle prices are expected to remain high through the end of the year due to strong feedlot demand. Forage supplies are ample this year in most areas and feedlot operators are expecting lower grain costs.

Hog Prices Still Below a Year Ago

Barrow and gilt prices are expected to range in the mid-\$50's per cwt this summer, down almost 5 percent from a year

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earlier. The seven-market barrow and gilt price averaged \$54.47 per cwt in May, declining in the last week of the month from early advances despite lower-than-expected marketings.

Much of the downturn is due to sluggish retail demand, especially in the loin market. Grocers cut back on expected pork featuring in reaction to the strong wholesale price hikes generated earlier in the month by pre-Memorial Day ordering. Wholesale price declines in late May, coupled with steady farm prices, squeezed cutout margins to such an extent that some processors cut back operations by a day per week in late May.

Slaughter during April and May was up substantially from a year earlier, and June should put 1991 second-quarter slaughter up 3 percent from last year. Greater slaughter numbers, along with heavier-than-average weights, will assure ample pork supplies this summer and limit any further seasonal advances in prices.

Fourth-quarter production should continue strong, pushing this year's total production up nearly 3 percent over last year. Increased supply should keep prices near the \$50-per-cwt level.

The special U.S.-Canada "extraordinary challenge" panel let stand an earlier bilateral panel finding that Canadian subsidies on fresh, chilled, and frozen pork do not hurt the U.S. industry. The panel represents the highest level of appeal under the U.S.-Canada Free Trade Agreement.

Broiler Prices Lower Than Last Year

Wholesale broiler prices are expected to remain below year-earlier levels through the summer, as continued large supplies move to the market. Although summer demand likely will keep wholesale prices above costs, average prices probably will remain below last year. Second-quarter prices averaged 52 cents per pound, 7 percent below last year's second quarter. Third-quarter prices are likely to average in the mid-50's, around 6 percent lower than a year earlier.

Broiler production is expected to grow about 6 percent in the third quarter, and about 5 percent in the fourth. Second-quarter production increased over 5 percent from a year earlier, based on broiler-type chicks hatched during February-April. Broiler producers are

adjusting supplies in reaction to lower broiler prices and lower net returns.

Broiler exports are forecast at almost 1.1 billion pounds in 1991, down 7 percent from last year's record level. However, first-quarter broiler exports to most major markets were up from a year earlier.

Credit shortages in 1991 likely will cause a substantial decline in exports to the USSR, which was the leading market for U.S. broilers last year. However, increases are probable to the other major export markets and to the Middle East, where domestic production is declining.

Record Stocks Slow Turkey Output

Third- and fourth-quarter turkey production is expected to change little from year-earlier levels. This follows a year-over-year increase of 4 percent during the first and the second quarters. Poultry placements in March were below a year earlier, unchanged in April, and up slightly in May.

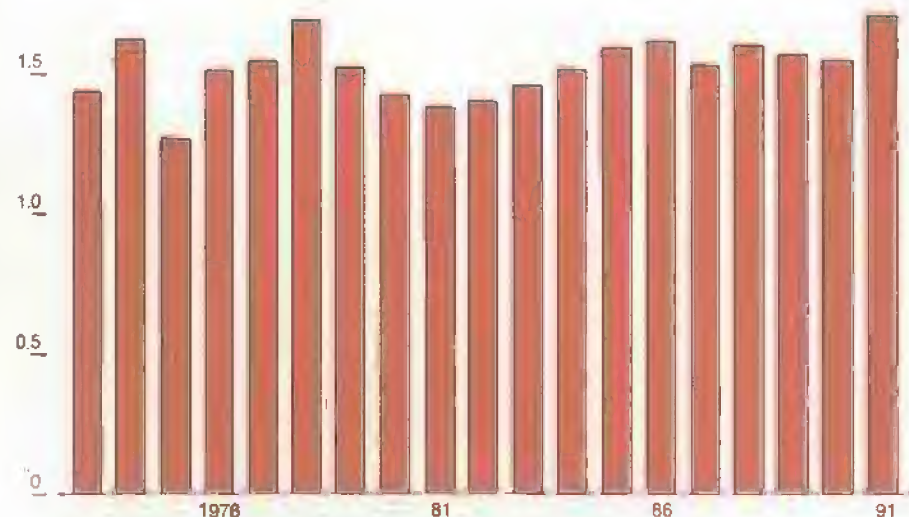
The slower expansion reflects producer losses that began last December and continued through the first quarter of 1991. Estimated net returns for growers were near breakeven in the second quarter. During the third quarter, average returns are expected to rise to 3-4 cents per pound.

Turkey stocks, already at record highs early this year, continue to rise. Stocks on May 1 were 407 million pounds, 15 percent above a year earlier. Continued brisk growth in turkey consumption is needed to keep stocks from becoming burdensome. Slowing increases in supplies will, however, help to temper the stock buildup.

Despite large stocks, May wholesale turkey prices inched up from the previous month and year, with Eastern region hens and toms at 62-63 cents per pound. Second-quarter wholesale hen prices averaged 62-63 cents, up from 61 cents a year earlier. With turkey production this summer about the same as a year earlier, Eastern-region 8-16-pound

Fed Cattle Marketings Are Record High for Month of April

Million head
2.0

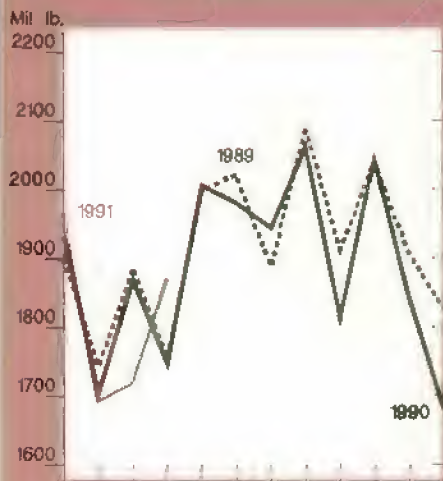


April report. Seven monthly reporting states.

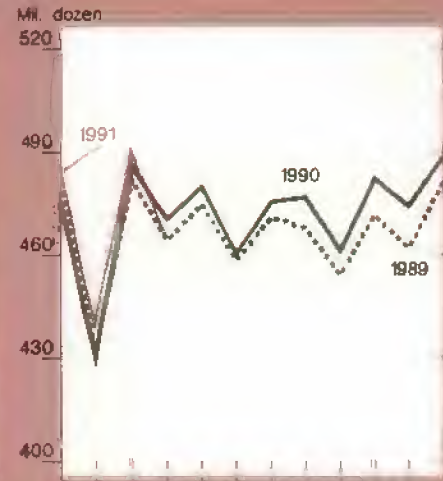
Livestock & Product Output

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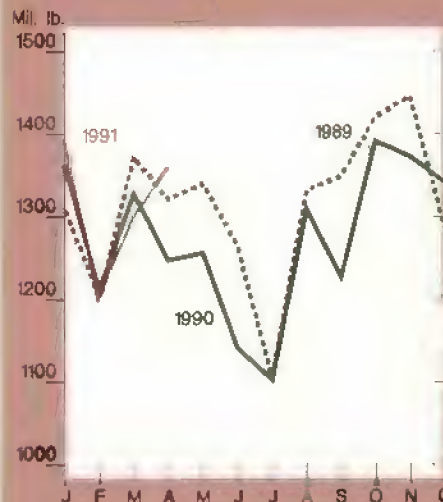
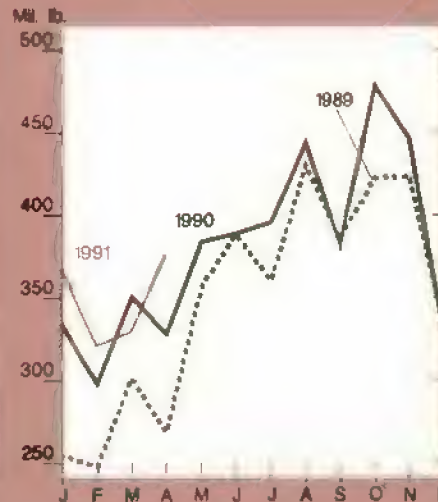
Commercial beef

Broilers¹

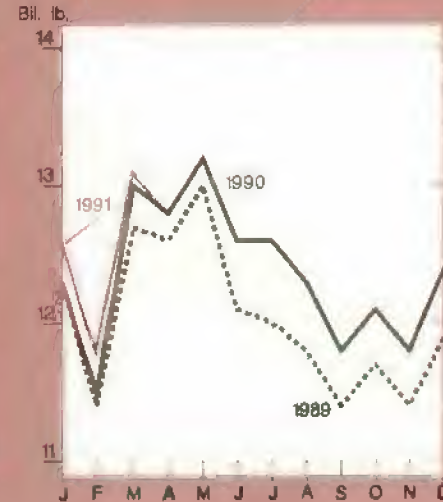
Eggs



Commercial pork

Turkeys¹

Milk



¹Federally inspected production, ready-to-cook

hen prices are expected to average 63-69 cents a pound in the third quarter, compared with 66 cents last year.

The modest increase in turkey prices has been helped by high red meat prices and near-record turkey meat exports. Exports in the first quarter were 45 percent above a year earlier, with over half destined for Mexico. Sharp increases also were realized to the Asian Pacific countries, particularly South Korea and Hong Kong.

U.S. Egg Exports Highest in 3 Years

U.S. egg exports are expected to increase 20 percent from a year earlier to 121 million dozen in 1991, the highest since 1988. First-quarter exports rose almost 90 percent from a year earlier, to 35 million dozen. Exports are being boosted by the lowest U.S. prices since 1988, large Export Enhancement Program (EEP) sales to Hong Kong, and resumption of EEP sales to the Middle East.

Total egg production is expected to be nearly 5.7 billion dozen in 1991, slightly higher than last year. However, produc-

tion of table eggs likely will decline slightly if present trends in flock size continue. Table-egg increases occurred during the first quarter. Small declines followed in the second quarter and slight declines also will likely occur in the third and fourth quarters.

Table-egg producers are taking aggressive measures to keep the flock at a profitable level, and to continue the industry's long period of positive net returns. On May 1, the total flock size was down fractionally from a year earlier and the table-egg flock was about 225 million hens, approximately 1 percent smaller than the previous month and a year earlier.

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Although wholesale prices are expected to maintain their seasonal strength through the fourth quarter, they are forecast to remain below a year earlier. New York prices are expected to average 76-80 cents per dozen for the year, compared with a record 82 cents during the past 2 years.

Second-quarter prices averaged 70-71 cents, compared with 75 cents a year earlier. Third-quarter prices are expected to range 73-79 cents compared with 78 cents last year.

Retail prices are expected to average in the mid-90-cent range in 1991, compared with highs of around \$1.00 during 1989 and 1990. They probably reached their annual high during the first quarter, averaging \$1.05 per dozen.

Egg use in the form of liquid, frozen, or dried egg products is the fastest growing segment of the egg industry. The proportion of eggs used in egg products, as a share of total consumption, has increased from just over 15 percent in 1985 to almost 21 percent in 1990. This trend is continuing thus far in 1991. First-quarter use of eggs in egg products increased 5 percent from a year earlier.

Cheddar Cheese Markets Tighten

The size of seasonal increases in wholesale cheese and other dairy prices this summer depends on how rapidly these markets tighten. If recent increases in Cheddar cheese prices pull enough milk away from butter-powder plants to satisfy the demand for cheese without boosting nonfat dry milk prices, prices may be fairly stable until fall. However, more rapid tightening of dairy markets than currently expected would produce steady price rises this summer.

In early 1991, most of the surplus milk went to butter-powder plants. But Cheddar cheese markets tightened in May, and a larger share of the milk supply was needed for cheese. Consequently, wholesale cheese prices needed to rise to enable cheese plants to draw milk away from butter-powder operations.

Cheddar cheese prices at the Wisconsin Cheese Exchange posted an increase of 9 cents a pound during May and mid-June. This early seasonal increase came on the heels of more than 6 months of practically stable Cheddar cheese prices (hovering near support purchase prices) and persistent fat and skim milk surpluses.

Recently, increases in nonfat dry milk prices have met some buyer resistance. This development, along with the increases in Cheddar prices, could release sufficient milk to cheese plants.

For further information, contact: Shayle Shagam or Ken Nelson, coordinators; John Ginzel, cattle; Felix Spinelli, hogs; Lee Christensen, Agnes Perez, and Larry Witucki, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285. **AO**



Field Crops Overview

Yields of the winter wheat now being harvested are expected to be down about 12 percent from last year's crop, due largely to a dry growing season in the Southern states and disease in soft red winter wheat producing states. And freeze damage in Washington cut the winter wheat area likely to be harvested to only 900,000 acres, a decline of almost 60 percent.

Growing conditions for this season's corn crop are generally very good, with 81 percent of the crop rated good to excellent. That's much improved over the 1990 crop at this time last year.

Globally, wheat production in 1991/92 is projected to drop but still be the second highest on record. Coarse grain output is projected to remain about the same as a year earlier. (See Special Article on the global grain outlook).

On June 11, President Bush approved an offer of \$1.5 billion in additional credit guarantees that would assist the Soviet Union to continue purchasing U.S. agricultural products—largely soybeans, corn, wheat, and soybean meal. The credits are to be made available in three stages, beginning with \$600 million in June, \$500 million in October, and the remaining \$400 million in February 1992.

U.S. Wheat Output Dropping 28 Percent

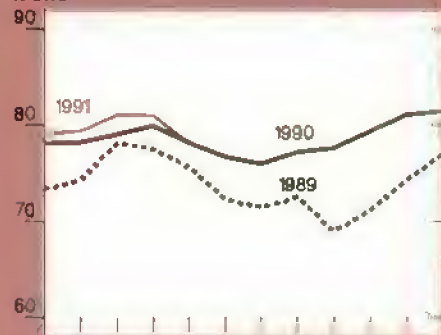
Total U.S. wheat production is projected to be just over 2 billion bushels in 1991/92, down from over 2.7 billion a year earlier. This assumes average yields for the spring wheat crop now in the ground. The bulk of the reduction in expected output stems from reduced area, due in part to higher ARP requirements. The likely decline will more than offset a gain of 300 million bushels in beginning inventories. As a result, supplies in 1991/92 are predicted to be down almost 400 million from last year.

Commodity Market Prices

Agricultural Economy

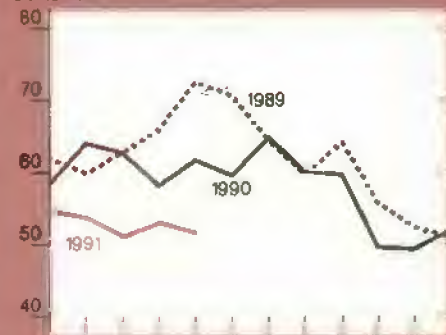
Choice steers, Nebraska

\$/cwt.

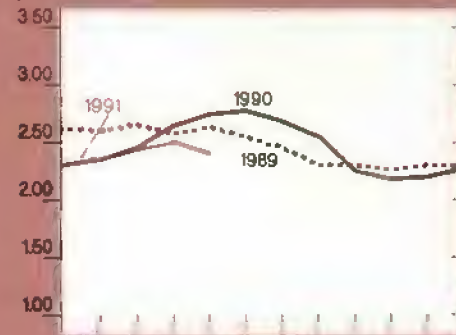


Broilers, 12-city average

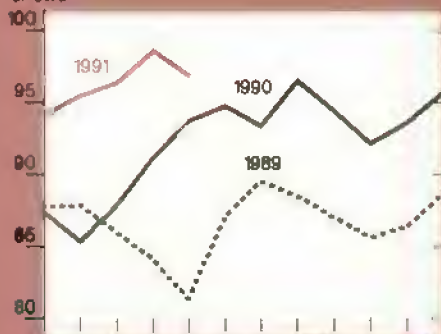
Cents/lb

Corn, Central Illinois¹

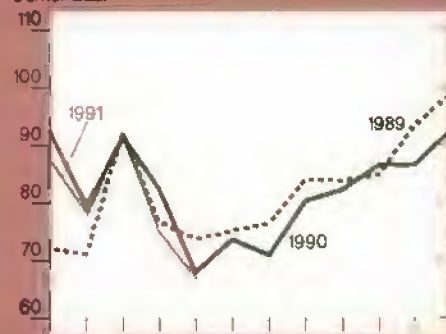
\$/bu.

Medium steers, Oklahoma City²

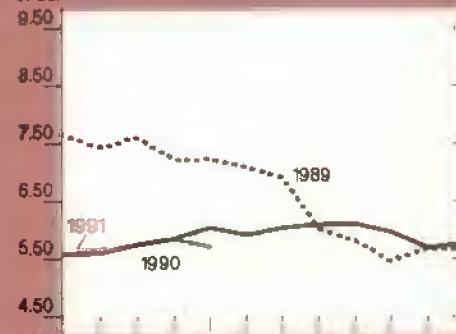
\$/cwt.

Eggs, New York³

Cents/doz.

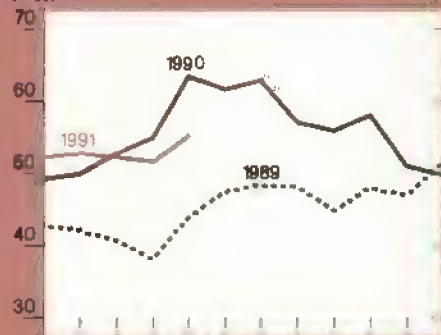
Soybeans, Central Illinois⁴

\$/bu.

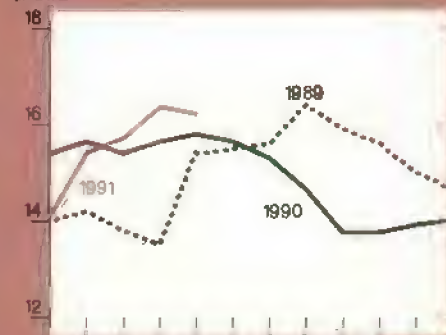


Barrows and gilts, 7 markets, Omaha

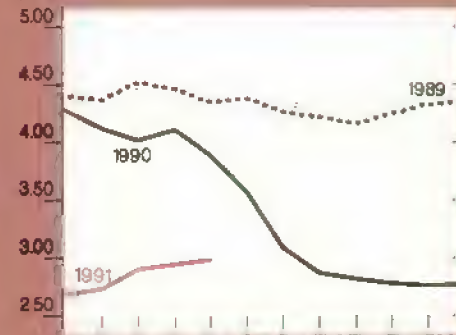
\$/cwt.

Milled rice, SW Louisiana⁵

\$/cwt.

Wheat, Kansas City⁶

\$/bu.



All milk

\$/cwt.



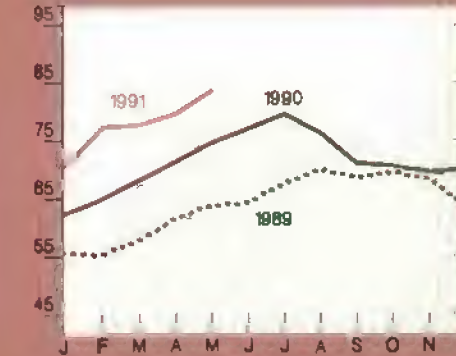
Sorghum, Kansas City

\$/cwt.



Cotton, average spot market

Cents/lb.

¹No. 2 yellow. ²600-700-lbs medium no. 2. ³Grade A, large. ⁴No. 1 yellow. ⁵U.S. No. 2 long-grain. ⁶No. 1 HRW.

Agricultural Economy

Global Wheat Outturn is Down in 1991/92, and Corn Up, Mirroring Changes in U.S.

	1989/90	1990/91	1991/92
<i>Million metric tons</i>			
WORLD			
Wheat			
Production	538	592	553
Use	535	570	556
Exports	96	93	96
Ending stocks	121	143	140
Corn			
Production	461	469	492
Use	479	469	488
Exports	73	56	57
Ending stocks	71	72	76
Soybeans			
Production	107	104	*
Use	104	105	*
Exports	27	25	*
Ending stocks	20	20	*
UNITED STATES			
Wheat			
Production	55	75	55
Use	27	38	32
Exports	34	29	30
Ending stocks	15	23	17
Corn			
Production	191	202	210
Use	146	157	160
Exports	60	43	44
Ending stocks	34	36	41
Soybeans			
Production	52	52	51
Use	34	35	35
Exports	17	15	16
Ending stocks	7	10	10

Note: Exports of wheat and corn do not include intra-EC trade shipments. Data are for marketing years. The wheat year is July-June, and the soybean and corn marketing years are October-September. *1991/92 forecasts for world soybeans will be published in July. 1990/91 forecast, 1991/92 projected

Domestic consumption of wheat in 1991/92 is projected at under 1.2 billion bushels, down about 200 million from last year, and exports probably will trail domestic use slightly. In addition, feed use is expected to fall from 1990/91's record to 275 million bushels. Nonetheless, total use will exceed production. Ending stocks are therefore expected to total about 630 million bushels, down 225 million from the 1990/91 crop.

Winter wheat yields for the 1991 crop are expected to be 36 bushels per acre, down from nearly 41 last year. Dry conditions in Kansas, Oklahoma, and parts of Texas have led to declines in expected yields. In 1990, production in these three states accounted for about 40 per-

cent of the total crop. This year's soft red winter wheat crop probably will be down 27 percent from last year due to excessive rains in some central and southern states.

The 1991 winter wheat crop is forecast at 1.45 billion bushels, down 29 percent from a year earlier. Freeze damage in the Pacific Northwest has dramatically reduced the estimate for Washington's winter wheat harvested area. And persistent rainfall has led to extensive rust and disease problems in soft red winter wheat producing areas. By June 9, 42 percent of the 1991 wheat crop was rated good to excellent, compared with 69 percent at the same time last year.

The 1991/92 spring wheat crop emerged slightly behind the pace of last year's crop, but just ahead of the long-term average. Assuming average yields and using area estimates based on farmers' March planting intentions, the crop likely will reach 575 million bushels. In contrast to winter wheat, 86 percent of the spring wheat crop was rated good to excellent by early June, compared with 77 percent for the 1990 crop.

Corn Planting Pace Uneven

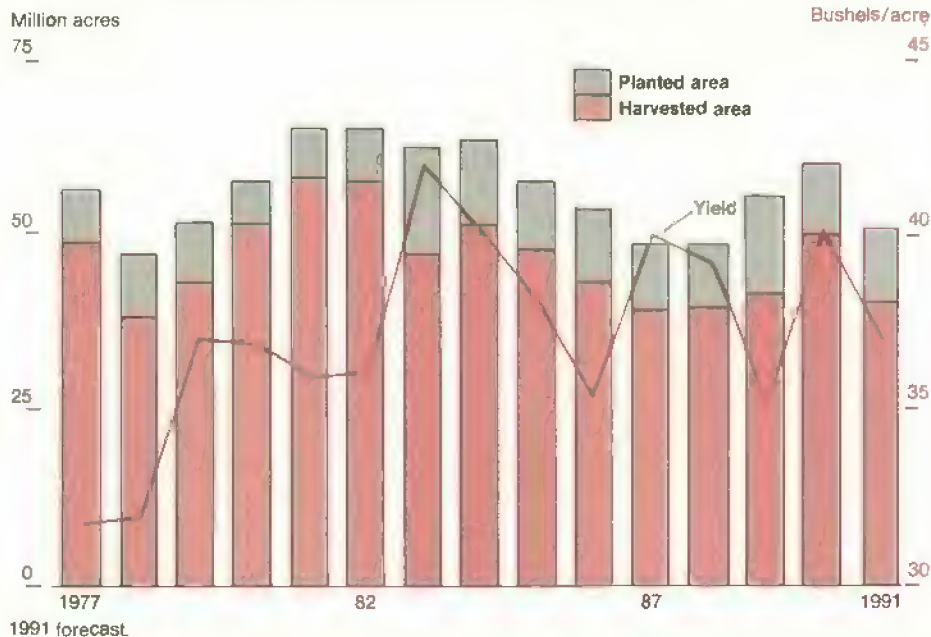
U.S. corn outturn for 1991/92 is projected at almost 8.3 billion bushels, up about 350 million from a year earlier. A modest gain in beginning stocks is expected to bring U.S. corn supplies to about 9.7 billion bushels, up 4 percent from 1990/91.

Domestic use, totaling 6.3 billion bushels, is forecast up 2 percent for 1991/92 due to a 100-million-bushel increase in feed and residual use, and a 30-million-bushel increase in food, seed, and industrial use. Total corn demand is forecast at almost 8.1 billion bushels, an increase of about 200 million—10 percent—from 1990/91, including an expected 50-million-bushel increase in exports.

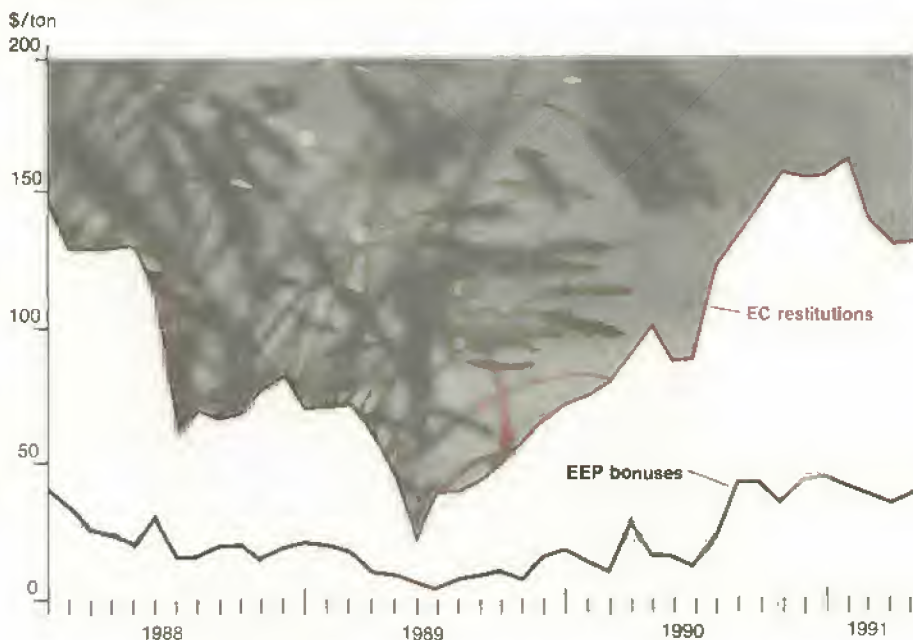
Nevertheless, production is expected to exceed use, and inventories likely will expand to over 1.6 billion bushels by the end of 1991/92. Prices, therefore, are likely to stay low. Season-average prices are forecast at \$1.95-\$2.35 per bushel compared with \$2.25-\$2.35 for 1990/91 and \$2.36 in 1989/90.

Corn planting progress has been mixed this season. From Illinois through the Ohio Valley, planting proceeded ahead of normal, but lagged in the western half of the Corn Belt. Iowa plantings were seriously behind schedule by the end of May as continued rainfall reduced opportunities for fieldwork. However, the pace of sowing picked up, and after the first week in June, farmers had planted 92 percent of their intended corn crop, compared with a long-term average of 99 percent.

U.S. Wheat Yield and Harvested Area Generally Move in Tandem



Wheat Export Subsidies: EC Outpaces U.S.



Also near the end of May, Iowa's Governor requested that USDA declare 44 counties disaster areas because of heavy rainfall. If the request is approved, farmers in these areas would be allowed

to withdraw from their contracts to participate in the Acreage Reduction Program. They will also be given additional planting options and may be eligible for other emergency benefits.

World Oilseed Output To Climb

Early projections for 1991/92 call for another record world oilseed crop, up 2 percent from this year's 218 million tons. Brazilian soybeans are expected to account for much of the gain because yields there should recover from this year's drought. USDA will release complete world oilseed estimates for 1991/92 on July 11.

U.S. exports of soybeans, soybean meal, and soybean oil are expected to expand in 1991/92. But exports will continue to be heavily influenced by the amount of credits and export assistance available.

As corn plantings lag in Iowa, Minnesota, and Missouri and cotton plantings lag in the South, the potential exists for greater-than-indicated soybean plantings. Some farmers are likely to plant late-season soybeans rather than take advantage of the 0/92 provisions for corn or the 50/92 provisions for cotton. By June 9, 70 percent of the intended soybean plantings were in the ground. That was ahead of the 1990 pace, and slightly behind the long-term average of 78 percent.

A substantial increase in U.S. soybean production likely would lead to lower prices. The market has already adjusted to this year's small South American soybean crop just harvested. Still, prices have remained in the \$5.70-\$5.85 range (Central Illinois). Higher prices are needed before farmers would be willing to plant much additional area at the expense of corn and cotton.

In 1990/91, both global and foreign soybean production dropped sharply, primarily due to the estimated 24-percent decline in Brazilian output. But yearend stocks are expected to remain close to last year's record carryover. That reflects weaker foreign import demand due to higher foreign output of other oilseeds.

Agricultural Economy

Commodity Program Update

Preliminary data from the May 13 enrollment report show that producers have enrolled 167.5 million acres of feed grains, wheat, cotton, and rice into the 1991 commodity programs. This acreage is 78 percent of the 213.7 million acres of total crop acreage base. As in earlier years, enrollment continues to be high, even though participants will receive payments on less production (see page 2).

A total of 11.8 million acres likely will be enrolled in the 0/92 or 50/92 programs. About a half million of those acres, mainly from wheat, barley, and corn base, probably will be planted to minor oilseeds—sunflower, safflower, rapeseed, canola, flaxseed, mustard seed, and others—under the 0/92 program.

The enrollment report indicates that farmers are using 7.3 million acres, or about 18 percent of their maximum

possible flex acres, to plant alternatives to their base crop. Most participants are planting according to their historical patterns. Market conditions may be a factor, and some farmers may be conservative in using new flex options. Also, farmers are eligible to receive payments on a portion of their flex acres if they plant the base crop.

The use of the flexibility option varies according to the different crop bases. Participants in the oats and rice programs appear to be among the most interested in using flexibility provisions.

Participants in the wheat and cotton programs show relatively less interest in planting alternative crops. Fifty-three percent of participating wheat base has been enrolled in the "winter wheat option" for 1991. This acreage has no planting flexibility, but also is not subject to the 15-percent payment reduction. Instead, the deficiency payment rate is based on a 12-month price.

Program Participation Remains High, But Flex Acre Use Is Modest

Crop	1991 Enrollment 1/	Use of flex acres 2/
	Percent	
Corn	76	19
Sorghum	76	23
Barley	75	26
Oats	38	48
Wheat	84	12
Upland cotton	84	9
ELS cotton	12	NA
Rice	91	37
Total	78	18

1/ Enrolled base acres divided by effective base acres. 2/ Flex acres planted to crops other than the base crop, divided by the maximum possible flex acres. Maximum possible flex acres equal 0.25 times the enrolled base.

NA = Not available.

Both Argentina and China have larger soybean crops to export than last year, partially offsetting the Brazilian shortfall. And competition among soybean exporters has been unusually fierce during the first half of the marketing year.

U.S. soybean exports in 1990/91 are forecast at just 14.7 million tons, down 13 percent from a year earlier. Large world soybean stocks and the new crop from South America are fueling the competition. South Americans are exporting a larger share of soybeans relative to meal because they have been selling less meal to the USSR. U.S. soybean meal

exports, however, are forecast to hold at 4.5 million tons. Export credits (GSM-102) have helped expand the U.S. share of the Soviet market.

U.S. exports of soybean oil in 1990/91 are forecast to plummet to 295,000 tons, down 52 percent from a year earlier, to the lowest in more than 30 years. Termination of PL-480 aid to Pakistan has sharply cut U.S. sales of soybean oil there.

Cotton Stocks To Rise

Projections for 1991/92 call for still larger U.S. and foreign cotton production. Foreign output is projected at 75 million bales, up 5 percent from a year earlier. A smaller gain in consumption, to 79.5 million bales, is forecast.

Most of the consumption gains will occur in producing countries, slightly lowering expected imports. With an easing of the supply situation, ending stocks are projected to rise. USDA's projections for 1991/92 cotton supply and use by country will be available on July 11.

In 1991/92, larger foreign exports and smaller total import demand should push U.S. exports below 1990/91 to a forecast 7 million bales. While the U.S. market share would also decline to 30 percent, the share still would be a little above average.

U.S. cotton production in 1991/92 is forecast at 16 million bales, about a half million more than a year earlier. In March, farmers said they planned to plant 14 million acres. However, persistent rainfall at planting time in the Delta has reduced planting in that region. By June 9, 86 percent of the intended crop was in the ground, behind last year's 96 percent and the long-term average of 89 percent.

Total U.S. cotton use in 1991/92 is expected to drop from the current season's strong level. But domestic mill use is projected at 8.5 million bales, about even with the current season.

U.S. cotton stocks in 1991/92 could increase from a low 2.2 million at the season's start to 2.8 million by season's end. The upland cotton ending stocks in 1991/92 could rise to 18 percent of use from the current season's estimated 13 percent—still far short of the 30-percent legislative target.

In 1990/91, global cotton production is rising substantially. Consumption is likely to contract a bit and trade remains virtually unchanged from the previous year. Use is expected to fall below output for the first time in several seasons. And stocks at the end of the season, while up slightly, remain quite tight.

largely filled by the U.S. Partly as a result, U.S. exports are estimated at 7.9 million bales, up more than 2.5 percent. And the U.S. share of the market is rising slightly from an already high 32 percent in 1989/90. *[Jim Cole and Joy Harwood (202) 219-0840 and Carolyn Whitton (202) 219-0824]*

For further information, contact: Sara Schwartz, world food grains; Edward Allen, domestic wheat; Janet Livezey, domestic rice; Pete Riley, world feed grains; Larry Van Meir and Jim Cole, domestic feed grains; Tom Bickerton, world oilseeds; Roger Hoskin, domestic oilseeds; Carolyn Whitton, world cotton; Scott Sanford, domestic cotton; Jim Schaub, domestic peanuts. World information (202) 219-0820; domestic (202) 219-0840 **AO**

Upcoming Reports from USDA's Economic Research Service

The following are July release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

July

- 15 Livestock & Poultry
- 16 China
- 17 Rice Yearbook
- 18 Dairy
- 19 Agricultural Outlook
- 25 Oil Crops Yearbook
- 26 Food Review
- 31 Pacific Rim

Specialty Crops Overview

The pace of U.S. dry bean exports is expected to slacken from a year earlier in the latter half of 1991 due to reduced supplies of 1990 crop and prospects for a smaller crop this year. The smaller crop prospects result from a 14-percent drop in expected planted acreage for 1991.

The 1991/92 Brazilian orange crop in Sao Paulo is forecast at 240 million boxes, the same as last season's crop. Hot, dry weather after the bloom reduced crop potential. Early maturity has reduced output prospects for Florida's Valencia orange crop.

A strong recovery in Louisiana sugar production is expected to boost U.S. output in 1991/92 to a near record. Sugar-cane production in Louisiana is forecast to almost double from last year. Only a modest increase in U.S. beet sugar production is expected.

U.S. Dry Bean Exports To Slow in Third Quarter

Smaller supplies and higher prices are expected to cause a slowdown in the pace of U.S. dry bean exports during the last half of 1991. The smaller supplies are the result of greater-than-expected export shipments from the 1990 crop and prospects for a smaller 1991 crop.

The smaller crop prospects are based on producers' stated intentions to plant 14 percent fewer acres in 1991 than a year earlier. Last year's lower prices are probably behind the decline in intended acreage.

Near-record production of several types of dry edible beans in 1990 resulted in lower domestic prices, making U.S. beans a bargain in world markets. U.S. dry bean exports rose 36 percent in 1990 from a year earlier to 1.25 billion pounds. Heavy fourth-quarter sales of

1990-crop beans accounted for much of the increase.

The biggest gains were in pinto beans (up 33 percent), Navy beans (up 78 percent), and Great Northern beans (up 31 percent). Mexico is the major market for U.S. pinto beans, taking 72 percent of the export volume in 1990.

The United Kingdom and Algeria were the major Navy bean buyers. Iraq was the largest single market for Great Northern beans in 1990 on the basis of sales prior to the economic embargo which went into effect in August.

The 1990/91 preliminary season-average price for all dry beans (September-August), at \$18.80 a cwt, is down 34 percent from a year earlier. During the first 6 months of the marketing year, wholesale prices averaged 43 percent lower for Colorado pinto beans, 32 percent lower for Michigan Navy beans, and 35 percent lower for Nebraska Great Northern beans. Although wholesale prices have averaged lower for most classes, prices for California limas and black-eyes have been higher.

Bumper Peach Crop Expected in Southeast

The first forecast for the 1991 U.S. peach crop is 2.59 billion pounds, up 18 percent from a year earlier and 11 percent above 1989. The larger crop is primarily the result of higher output in South Carolina and Georgia, where the bloom this year was reportedly the heaviest since 1981, and in New Jersey where production rebounded from 1990's 45 million pounds to 120 million.

Earlier in the season, grower prices for fresh peaches were running about the same pace as a year earlier. However, they are expected to slip by summer as the full impact of the larger crop is felt.

California's clingstone production is forecast down 4 percent from last season. Clingstone peaches are mostly used for canning. Fresh sweet cherry prices in early June were nearly double the previous year's levels because of production shortfalls in the Western states.

Agricultural Economy

With the exception of California, the extremely low temperatures last December killed many sweet cherry fruit buds and caused tree damage in Western production areas, resulting in less output this summer. Production in the six Western states (California, Idaho, Montana, Oregon, Utah, and Washington) is forecast 14 percent behind a year earlier and 28 percent below 1989.

Bartlett pear output is forecast down 10 percent from last year but only 1 percent below 1989. Continuing strong demand and firm wholesale prices for canned pears are expected to generate strong grower prices this season.

The initial forecast for California plum output is 5 percent lower than a year ago. The quality of the crop is described as good. Supplies are expected to pick up when the later varieties mature.

Although nectarine production was sharply higher for some early varieties, total California output is forecast down slightly in 1991.

Apricot production is forecast down 18 percent from a year ago. Cold weather in December and hailstorms in March are responsible for much of the decline. As a result, prices are ahead of a year ago.

California's Almond Crop Forecast Down 32 Percent

California's 1991 almond output is forecast at 450 million pounds (shelled basis), down 32 percent from last year. Lower production is expected to bolster prices.

With 1990/91 world almond supplies at record-high levels, and total use only slightly higher than a year earlier, 1991/92 world carryin stocks in producing countries are the highest ever. However, the U.S. accounts for virtually all of the increase in world carryin stocks.

U.S. domestic almond shipments in 1990/91 were about 1 percent behind a year earlier as of May 1, but are expected to approach the record high achieved in 1989/90 by the end of the market year. Total export shipments, up 9 percent

from a year ago, are expected to set a new record.

Industry sources expect pistachio production in 1991 to be about 45 million pounds, down considerably from last year's record 118 million pounds. Pistachios are an alternate-bearing crop, with a large crop usually followed by an off year in which production is much lower. This year—an off year for a start—cold weather in December contributed to the smaller crop prospects.

Dry Weather, Low Prices Cut Brazil's Orange Crop

Brazil's 1991/92 orange crop is forecast at 240 million boxes. Abnormally hot, dry weather following the bloom in late 1990 reduced prospects for the crop below initial expectations of about 300 million boxes.

Estimates of Florida's orange crop continue to fall as the season progresses. Early maturity has caused higher-than-expected fruit drop, reducing production prospects. Estimates of Valencia output fell 4 million boxes between April and June. Florida's total orange production estimate in June was down 13.5 million boxes since the original October forecast.

The yield projection for Florida frozen concentrate orange juice (FCOJ) fell from 1.47 gallons per box in April to 1.45 in June. Florida is now expected to pack 153 million gallons (42° brix) of FCOJ during the 1990/91 season.

U.S. Sugar Production Expected Near Record

A strong recovery in Louisiana sugar production is expected to boost U.S. output to a near-record 7.3 million tons, raw value, in fiscal 1991/92. Cane sugar output is forecast at 3.4 million tons, raw value, and beet sugar at 3.9 million.

The Louisiana industry was ravaged by cold temperatures in December 1989, killing a large portion of the sugarcane slated for harvest in 1990/91. As a consequence, Louisiana's 1990/91 output, at

438,000 tons, raw value, was a 40-year low.

Much of the Louisiana acreage had to be replanted in 1990 because of freeze damage to the cane roots. Favorable conditions during the fall of 1990 and the winter and spring of 1991 gave the replanted cane a good start. While heavy rains this spring in some areas could dampen prospects, USDA's initial forecast of production is 835,000 tons in 1991/92, up almost 400,000 tons from the year before.

Florida's 1991/92 cane sugar output is forecast to be 150,000 tons lower than a year earlier. Unusually good growing conditions resulted in a record 1990/91 crop in Florida, 15 percent higher than the previous record set 3 years earlier.

A modest increase in beet sugar output is estimated for 1991/92. Production is expected to be higher in the Red River Valley where dry weather reduced 1990/91 yields, and in the Great Plains and Great Lakes due to increased sugarbeet acreage. These advances are likely to more than offset another decline in California. California's 150,000 acres is the lowest since 1962 and reflects water and disease problems as well as the potential for higher returns from alternative crops.

The rapid growth in sugar deliveries during the past 2 years is expected to slow. The 1.4-percent increase forecast for 1991/92 is half the growth of a year earlier, reflecting in part, a slowdown in demand from industrial users due to a softening in end-product sales.

U.S. raw sugar prices declined to 21.11 cents a pound at the end of April but strengthened to about 21.35 cents by the end of May. [Glenn Zepp (202) 219-0883]

For further information, contact:
Boyd Buxton, fruit; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Verner Grise, tobacco; Doyle Johnson, tree nuts and greenhouse/nursery; David Harvey, aquaculture; Lewrene Glaser, industrial crops. All are at (202) 219-0883. **AO**

Commodity Spotlight



World Events Shape U.S. Wool Markets

In 1990, U.S. sheep numbers and wool production accounted for only 1 percent of the world totals. Raw wool imports account for about two-thirds of U.S. textile mill use of wool. In any given year, U.S. wool prices depend more on foreign developments than on domestic demand, supply, and policy changes.

For most of the 1990/91 marketing year (July-June), world wool markets were in turmoil, with producers, merchants, and textile manufacturers facing unprecedented conditions. These conditions stem principally from a collapse in wool demand at a time of record production, and the impact of Australia's recent efforts to curb domestic production (see the May 1991 AO).

World Wool Supplies Set Record

World wool supplies have increased to a record 5.5 billion pounds, clean, in

1990/91, 19 percent above last season. End-of-season wool stocks are expected to rise by nearly 300 percent over last season to 1.1 billion pounds, clean. This burgeoning surplus (particularly of finer apparel-grade wool) resulted primarily from increased production incentives in Australia during the past few years and sluggish demand by normally strong importers.

Large wool supplies were underscored by trade uncertainties with China (the most rapidly growing market in the 1980's), and with the Soviet Union, Eastern Europe, and Southeast Asia, as well as other textile-producing countries. The continuing economic problems confronting China, the political and economic difficulties and critical shortages of hard currency in the Soviet Union and Eastern Europe, stagnant world economic growth, and the cyclical downturn in wool textile manufacturing have all contributed to sluggish world wool trade.

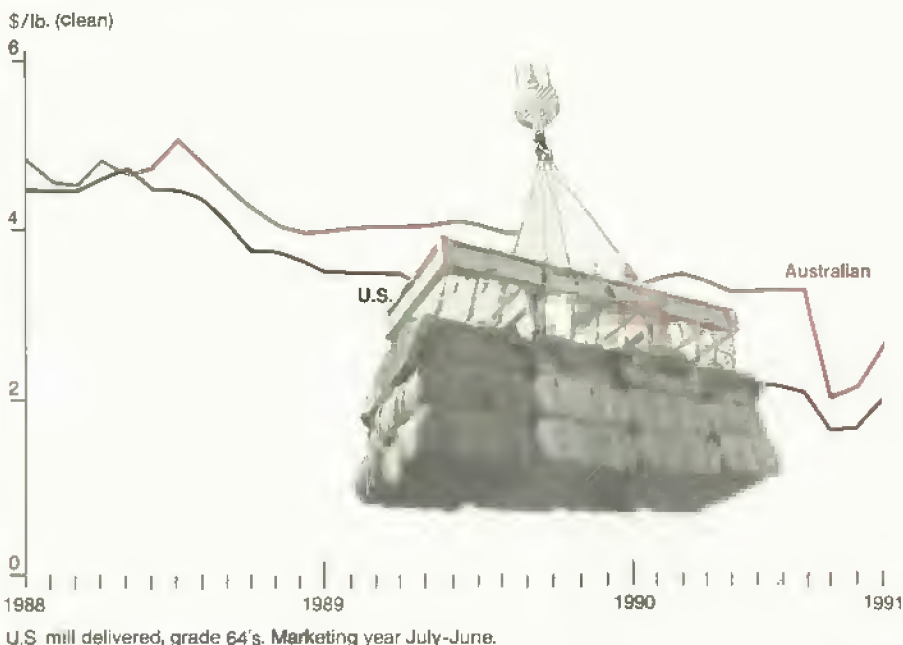
Australia is the dominant producer and exporter of raw wool. Annual wool exports of nearly 1 billion pounds, clean, have been shipped from Australia to foreign mills since the mid-1980's, representing a 60-percent share of world trade.

Since 1970, Australia has influenced world prices through a marketing board. The Reserve Price System (RPS) was designed to keep Australian prices stable and in line with world supply and demand. The Australian Wool Corporation (AWC) bought all wool offered at auction when bids did not reach minimum reserve prices, which were set annually. The AWC then sold the wool later when demand and auction prices improved.

New Zealand and South Africa, other major wool producers and exporters, had similar systems. Their reserve prices tended to follow those set by the AWC after adjustments for quality.

The minimum reserve price established by the AWC increased from A470 cents per kilogram, clean, in 1984/85 to A870 cents for the 1988/89 and 1989/90 seasons. Higher support prices spurred domestic and foreign production. The increased production, combined with a slowdown in world demand, forced the AWC to accumulate stockpiles of surplus wool to keep prices above the minimum support level. For the last month of the 1989/90 marketing year and for the 1990/91 season, the price floor was reduced by 20 percent to A700 cents per kilogram.

Australian Wool Prices Govern World Prices



Commodity Spotlight

Australia Moves To Free Markets

During the first 7 months of this season, marketing authorities of the major Southern Hemisphere producing countries purchased up to 84 percent of their domestic offerings to maintain floor price levels, compared with only 20 percent at the end of the previous season. This action caused stocks to rise to record levels, and their financial reserves were either exhausted or seriously depleted. The AWC stockpile increased by 1.7 million bales to nearly 4.8 million and not only depleted the AWC's huge financial reserves but resulted in additional borrowing of a record \$A2.88 billion.

As a result, the Australian government canceled wool auction sales for 3 weeks in February, and on February 11, 1991 announced the suspension of wool price supports through the end of the marketing year (June). The New Zealand and South African Wool Boards also decided to discontinue their reserve price systems for this season.

With suspension of Australia's RPS after more than 20 years, no market price intervention program was in place. When wool sales resumed in late February in Australia, prices plunged by 39 percent, on average, taking the market indicator (a weighted average of 13 wool categories) to A428 cents per kilogram. In New Zealand, wool prices fell 13 percent by the end of February.

On May 1, 1991, the Australian government announced it would abandon permanently its wool reserve price scheme. A newly reauthorized Australian Wool Corporation will be responsible for marketing, quality control, research and development, and disposition of wool stocks. Sales of wool stocks, which were frozen in February 1991, will be permitted beginning July 1, 1991. Revenue from these sales will be used to repay old AWC debts. The debt by the moribund price support program is to be repaid over 7 years.

A marked improvement in the wool situation was evident as buyers, in response to lower prices, moved back into the market during March-May to replenish stocks. The reentry of China and the Soviet Union into the market to replenish their stocks reinforced the trend. By late May, Australian prices had risen 38 percent from the February lows to A591 cents. Wool prices in New Zealand and South Africa have rebounded as well from the season lows in late February.

World Conditions May Raise U.S. Costs

Turmoil in the world wool market conditions affects U.S. wool producers, but a domestic wool program helps minimize adverse impacts.

U.S. government programs have supported wool prices for the last 35 years. The National Wool Act of 1954, as amended, authorizes price support for wool through loans, purchases, payments, or other measures. Since the Wool Act was first implemented in 1955, prices have been supported by direct payments.

The wool support price is determined annually using a parity-based formula specified in the legislation. Support prices for wool are quoted on a grease or actual-weight basis after shearing. Clean basis means that fats, oils, and other vegetable matter have been removed from the wool.

Price support payments are based on the net proceeds a producer receives from the sale of wool. Unlike other program commodities, the higher the price a producer obtains in the market, the higher the price support payment received. This incentive feature has been in place since the program began in order to encourage production and improve quality.

In the past, the wool program has not been subject to a payment limitation. With the 1990 farm legislation, however,

declining payment limits were introduced for the following marketing years: \$200,000 in 1991; \$175,000 in 1992; \$150,000 in 1993; and \$125,000 for 1994 and 1995. Payments received under the wool program will not count against payment limits in effect for any other price support commodities. To be eligible for payments, producers are required to meet a "person" definition similar to the requirement for other commodity price support programs.

In 1990, the support price for shorn wool was \$1.82 per pound (grease basis) and the national average market price was \$1.02 below the support price, at \$0.80 per pound. The 1990 shorn wool payment rate of 127.5 percent is the percentage that brings the average price received by all producers up to the support price. Wool producers received about \$105 million in price support payments on shorn and pulled wool sales of 47 million pounds, clean, valued at nearly \$70 million in the 1990 marketing year.

In 1991, the shorn wool support price will be \$1.88 per pound. U.S. wool prices in January 1991 averaged only 38.2 cents per pound. Since January, however, prices have strengthened, averaging 67.4 cents in May. Lower overall prices this season in combination with a higher support price may increase program costs. Earnings from wool sales may decline 25-30 percent below last season to about \$50 million. However, most of the decline will be offset by higher price support payments.

Although the new payment limitation rules for wool producers are not expected to reduce production, the elimination of price support programs by Southern Hemisphere producers should keep wool prices lower than in recent years. With continued sluggish demand for wool, and the availability of the Australian wool stockpile, prices are expected to remain at low levels over the next few years, until burdensome world stocks are reduced. [Bob Skinner (202) 219-0840] **AO**

World Agriculture and Trade



EC 1992: Who Will Be Top Banana?

Developing countries have an important stake in the European Community's (EC) 1992 single internal market initiative. Markets for some tropical products may be transformed by events taking place in the EC. While the value of these products may be trivial in terms of total EC trade, they are crucial to the economic survival of their small, predominantly poor exporters.

For example, the EC imports about \$1.8 billion in bananas each year. But although banana imports account for less than 2 percent of the total value of EC agricultural imports, the EC banana market generates over half the export earnings of some suppliers.

The principal suppliers of EC banana imports are African, Caribbean, and Pacific countries (collectively termed ACP), overseas territories and departments of EC members, and Latin American producers. The ACP countries include 66 former colonies of EC countries.

At present, the EC maintains a common import policy towards most agricultural

products, but policies for the banana trade differ among EC member countries. ACP's and EC overseas territories and departments receive preferential access to all EC countries except Germany, but preferences vary depending on the bilateral relationship between a supplier and the specific EC member.

The current policy structure depends on the existence of internal EC barriers. This structure likely will become an anachronism after the EC 1992 process eliminates internal barriers and unifies the laws and regulations that govern trade.

The EC has promised that market integration will not hurt the sales of its overseas territories and departments and ACP's, but has not yet specified how suppliers will be protected if their preferential bilateral market access is lost.

Latin American suppliers stand to gain the most (or lose the least) of any of the three country groups as the EC 1992 single market draws near.

Latin American Producers Have Competitive Edge

EC members follow three general import regimes for bananas: free trade, discriminatory tariffs, and bilateral arrangements.

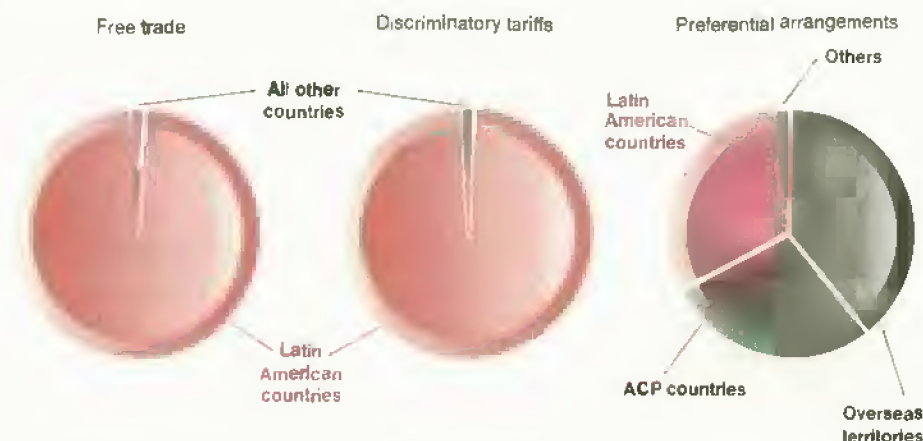
Under a special protocol of the Treaty of Rome, the Federal Republic of Germany imports all its bananas duty-free under an unrestrictive quota. It is the only EC country with virtually free trade in bananas.

Latin American producers dominate the German market, supplying Germany with 99.5 percent of its bananas in 1988—the year of the most recent data available. The only ACP or overseas territory producer that exported to Germany was Cote d'Ivoire with only 0.1 percent of the market. Other foreign suppliers, primarily the Philippines, accounted for the remainder of the German market.

Belgium, the Netherlands, Luxembourg, Denmark, and Ireland impose a discriminatory tariff. Bananas from the EC's overseas territories and departments and ACP countries are admitted duty-free, but bananas from other sources face a 20-percent tariff. These markets have no quantity restrictions.

Despite the preference given to overseas territories and departments and ACP countries, Latin American producers dominate the markets that employ a discriminatory tariff. In 1988, these importing countries bought 99.6 percent of their bananas from Latin American producers. Overseas territories and ACP producers had no market share to speak of.

Latin American Banana Producers Dominate EC Markets That Lack Bilateral Arrangements



Exporters' share in the EC's three trade regimes, 1988 data

World Agriculture and Trade

Latin American producers are able to dominate the markets despite the discriminatory tariff through a combination of lower costs and higher quality. In 1988, the average export unit value (i.e., estimated price) of bananas shipped by Latin American producers was \$244 per metric ton.

Bananas shipped from ACP's, however, had an average export unit value more than 1.5 times higher at \$402 per metric ton. The French overseas departments' export unit value was even greater, at \$538 per metric ton.

Bananas are produced on large-scale plantations in Latin America, providing cost economies. In ACP's and overseas territories and departments, on the other hand, small family operations characterize banana production. These differences among production practices explain much of the spread in prices. The export unit values also illustrate why the ACP's and overseas territories need preferences in order to compete in the EC market.

Bilateral Schemes Dull Latin American Edge

Bilateral arrangements apply in Italy, the United Kingdom (UK), France, Spain, Greece, and Portugal. These EC members either produce bananas domestically or import them from overseas territories and departments or former colonies. Spain, Greece, Portugal, and France produce bananas domestically and in their overseas territories and departments: Martinique, Guadeloupe, Crete, Madeira, and the Canary Islands.

These EC members reserve some or all of their markets for domestic producers. Former colonial powers, including France, the UK, and Italy reserve portions of their markets for former colonies.

All of these EC members employ a variety of import policies including licensing and import quotas to protect their favored suppliers. France reserves about two-thirds of its market for French

overseas departments and one-third for ACP's. If imports from other suppliers are needed to meet demands in France, those imports are subject to licensing and the 20-percent EC Common External Tariff.

The UK grants duty-free access to former colonies such as Jamaica, Dominica, Grenada, St. Lucia, St. Vincent, and Belize. Suriname also receives duty-free access to the U.K. Imports from other sources are subject to licensing.

ACP's and overseas territories together dominate the markets with preferential arrangements. In 1988, overseas territories and ACP's had 39.7 and 28.6 percent of the market share. Latin America accounted for 29.7 percent.

As indicated above, it is very difficult for overseas territories and ACP producers to compete in the EC market without some preferential arrangement. Nevertheless, the EC is the most important market for ACP and overseas territory banana exports.

In 1988, over 70 percent of total banana exports from all of the overseas territories and ACP countries went to the EC. Five ACP's (Suriname, St. Vincent and the Grenadines, Cote d'Ivoire, Jamaica, and Grenada) and all of the overseas territories (Martinique, Guadeloupe, Crete, Madeira, and the Canary Islands) shipped all of their banana exports to the EC.

The EC market is especially important for Dominica and St. Lucia, which shipped 84 and 97 percent of their bananas to the EC. Both these countries depend on banana exports to the EC for more than half of their total foreign exchange earnings.

EC Free Trade Policy Would Benefit Consumers

In 1992, the EC market will have one trade policy instead of twelve. Without a general policy change among EC countries, bananas would flow from

relatively free-trading Germany to the rest of the EC, and opportunities for ACP countries and the overseas territories would be severely limited. If the EC's goal is to protect ACP producers after 1992, the banana program will have to be changed.

A free trade policy by the EC after 1992 would reflect the goal of a more competitive EC market. Under a free trade scenario all trade preferences for ACP and overseas territory bananas would be removed in the UK, Spain, Italy, Greece, Portugal, and France. The 20-percent Common External Tariff in Belgium, Denmark, Ireland, the Netherlands, and Luxembourg would be reduced to zero.

All EC consumers except those in Germany would benefit from lower retail prices, and demand would increase. The increased demand would in turn put upward pressure on the world price.

However, it is unlikely, given the present spread between Latin American prices and the prices of other suppliers, that the increase in world price would be sufficient to help the overseas territories and ACP countries whose exports to the EC are likely to decrease dramatically.

An alternative policy would be for the EC to establish an overall quota based on recent import levels. The quota could be allocated on a country-by-country basis. In this scenario, the world market would remain basically as it is now. Export quantities from all suppliers would remain the same as would the world price and export earnings.

A restrictive trade regime would undermine goals for a more competitive EC market. However, ACP and overseas territory producers would fare much better relative to a freer trade regime. Compared with the current situation, Latin American suppliers would neither gain nor lose under a quota policy. As 1992 draws near, EC policymakers could be looking at a "banana split" when it comes to banana trade. [Liana Neff (202) 219-0680 and Terri Raney (202) 219-0610] **AO**

U.S. Ag Exports To Drop

U.S. agricultural exports are forecast to drop \$3.1 billion in fiscal 1991, down from \$40.1 billion a year earlier. Volume is also forecast lower, down 20 million tons from 149 million in 1990. Prices are turning out to be weaker than a year earlier and the U.S. share of world trade smaller.

Reduced grain exports account for much of the expected drop, following last year's record world wheat production, record grain production in China, and a near-record Soviet grain crop (see the Special Article on the world grain outlook). Slower world economic growth is also restraining exports.

The value of U.S. grain and feed exports likely will decline \$3.6 billion due to lower prices and reduced volume expected for corn and wheat. U.S. oilseed and product exports are also expected to fall as the U.S. share of a shrinking world market declines.

However, exports of high-value products are expected to continue rising and reach a record, driven by favorable exchange rates and continued economic expansion in key markets.

These forecasts were prepared before the recent announcement of an offer of an additional \$1.5 billion in U.S. credit guarantees to the Soviets. However, only \$600 million would be allocated for this fiscal year.

While U.S. agricultural exports are expected to decline in fiscal 1991, an improving nonagricultural trade picture led to an 18-percent improvement in the overall trade balance during the first half of fiscal 1991. The monthly U.S. trade deficit fell 57 percent to \$1.8 billion in March, a 9-year low. While U.S. imports slowed as the recession cut consumption, exports continued to grow.

Recession Less Severe In Most Foreign Countries

While world economic growth has been generally slower this year, the severity of the U.S. recession is not mirrored in major overseas markets. In fact, Germany and Japan, the world's two largest food importers, are expecting about 3 percent economic growth after accounting for inflation during 1991. This is down from a year earlier, but well above U.S. growth.

The major developed U.S. market with the poorest economic performance is Canada, where the economy is expected to contract slightly during 1991. Canada has been pursuing a tight monetary policy in an effort to reduce its chronically high inflation, and, more recently, to counteract the inflationary effects of a 7-percent value-added Goods and Services Tax.

However, during January-March, U.S. agricultural exports to Canada rose slightly. High Canadian interest rates, in addition to sparking the recession in that country, have strengthened the Canadian

dollar relative to the U.S. dollar. With exchange rates favoring U.S. products, exports to Canada have increased as well as purchases by Canadians on cross-border shopping trips.

Exchange rates are also favoring U.S. exports to other developed markets. During most of 1990, the U.S. dollar weakened as a slowing U.S. economy pressured interest rates downward. Although the dollar has strengthened since February, shipments of high-value products continue to grow due to a lag in the impact of exchange rates on trade. In addition, while the dollar is stronger against many foreign currencies, especially the mark, it has strengthened far less against the yen.

Coarse Grain Sales To Japan Slip

Japan is the largest market for U.S. agricultural exports. Fiscal 1991 sales are expected to total \$7.8 billion, down slightly from 1990's \$8.1 billion. The declining U.S. share of the Japanese coarse grain market accounts for much of this drop.

U.S. Ag Exports to Slip Nearly 8 Percent

	Fiscal years	
	1990	1991
	\$ billion	
Total	40.1	37.0
Developed countries	19.8	19.8
EC	6.8	6.5
Japan	8.1	7.8
Canada	3.7	4.3*
Other	1.2	1.2
Developing countries	16.0	14.5
Taiwan	1.8	1.6
South Korea	2.7	2.3
Other	11.5	10.6
Soviet Union	3.0	1.6
Eastern Europe	0.5	0.4
All other countries	0.8	0.7

*The increase in U.S. agricultural exports to Canada in fiscal 1991 is due to the substitution of Canadian import data for U.S. export data, which increased the reported trade between the two countries. 1991 forecast.

World Agriculture and Trade

The outlook for exports of high-value products to Japan is less clear. While the exchange rate is favorable, and rebounding grapefruit production in Florida has boosted exports, California's freeze this year has reduced prospects for orange exports to Japan.

Japan implemented a 70-percent tariff on beef imports in April. This tariff replaces a system of quotas, and over time will progressively fall, increasing opportunities for the U.S. and other countries to export beef to Japan.

However, the present outlook for U.S. beef exports to Japan in fiscal 1991 is uncertain. U.S. beef exports to Japan totaled nearly \$1 billion last year. And during the first half of fiscal 1991, exports gained 9 percent.

However, some of this gain may represent stock building in anticipation of the 70-percent tariff. Japanese retailers lowered beef prices and otherwise promoted sales when the quotas were removed, but their subsequent pricing strategies remain to be seen. Frozen beef stocks have remained high in Japan, but chilled beef sales are reportedly strong.

Fewer U.S. Soybeans Move to the EC

U.S. agricultural exports to the EC are expected to drop \$300 million in fiscal 1991 from a year earlier, to \$7 billion. A weaker outlook for U.S. soybean exports to the EC is the primary factor.

Although EC demand for protein meals is expected to rise in 1990/91, soybean meal use is likely to fall. Other protein meals, particularly rapeseed, are expected to substitute for soybean meal, continuing a long-term trend.

However, U.S. exports of fruits, vegetables, and nuts—especially almonds—to the EC are forecast to increase in 1991. During the first half of fiscal 1991, U.S. exports of these commodities to the EC rose \$159 million from a year earlier, a 29-percent gain. A bumper U.S. almond crop in 1990/91 and a smaller crop in Spain due to extremely dry weather are likely to increase EC imports of U.S. almonds.

During 1991, the economies of the developing countries are expected to expand 1.8 percent, about the same as a year ago. And while conditions are far from ideal for the developing nations, they are not expected to deteriorate.

In the early 1980's, when the U.S. last entered a recession, the onset of the international debt crisis resulted in plunging growth rates and severely declining imports by developing countries. But this year, U.S. agricultural exports to developing countries are expected to decline by less than 10 percent, to \$14.5 billion.

The economies of the Newly Industrialized Countries (NIC's) of the Far East are expected to expand more slowly in 1991 than a year earlier, although growth will be substantially higher than in the U.S. Nonetheless, the value of U.S. farm exports to the region is weakening as prices and world trade decline for grains and oilseeds.

South Korea and Taiwan are both expecting economic growth rates in excess of 5 percent, but U.S. exports to each country are expected to fall. Beef exports to South Korea doubled during the first half of fiscal 1991, as Korea continued to liberalize its beef market. However, beef accounted for only 6 percent of U.S. sales there.

Credit Availability Is Crucial to Soviet Imports

It appears fairly certain that the economies of Eastern Europe and the Soviet Union will contract again in 1991. Reduced consumption and industrial production by East European countries in the throes of structural adjustment are expected to cut U.S. exports to the region about 20 percent to \$400 million. And the economic problems associated with structural adjustment also are affecting the outlook for exports to the USSR.

The official forecast of U.S. agricultural exports to the Soviet Union shows a drop of \$1.4 billion during fiscal 1991, largely because of a near-record 1990/91 Soviet grain crop and credit constraints. The Soviet Union's widely reported difficulties with hard currency payments are inhibiting its ability to import agricultural products. The recent announcement of an offer of new credit guarantees to be allocated over 3 years could lift Soviet purchases.

The USSR received U.S. GSM-102 credit guarantees totaling \$1 billion in late December 1990, virtually all of which were used to finance commodity purchases and transportation expenses in subsequent months. On June 11, President Bush announced the offer of an additional \$1.5 billion in credit guarantees, of which \$600 million would be allocated in fiscal 1991.

By early June, Soviet purchases of U.S. agricultural commodities had nearly reached the \$1.6 billion expected for the entire fiscal year.

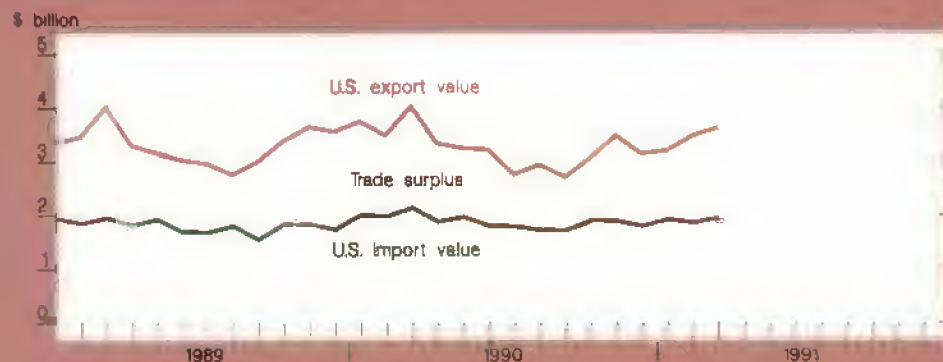
Because of the economic, political, and financial uncertainties in the Soviet Union and Eastern Europe, forecasting Soviet agricultural production, consumption, and trade is subject to more uncertainty than at any time during the last decade. [Stephen MacDonald (202) 219-0822] AO



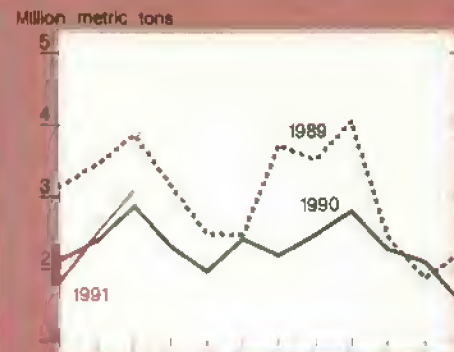
U.S. Trade Indicators

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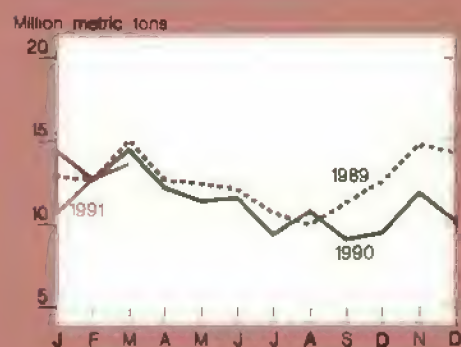
U.S. agricultural trade balance



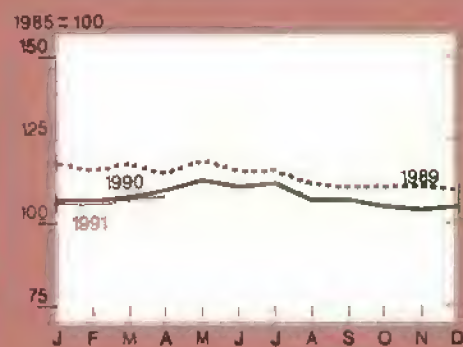
U.S. wheat exports



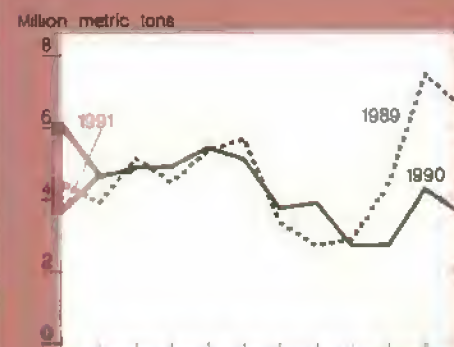
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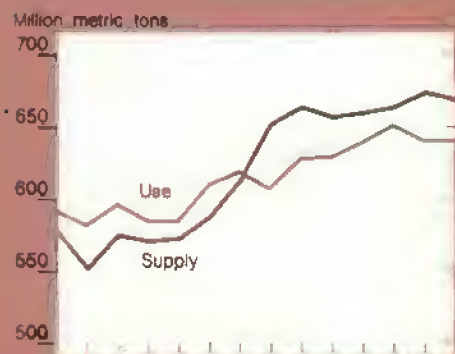
Index of export prices



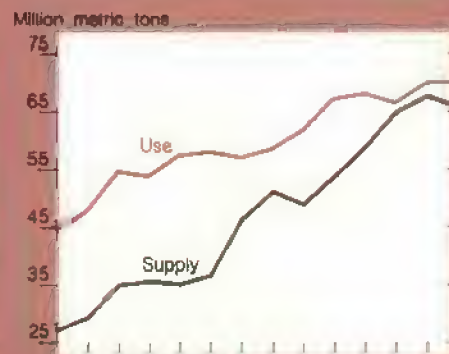
U.S. corn exports



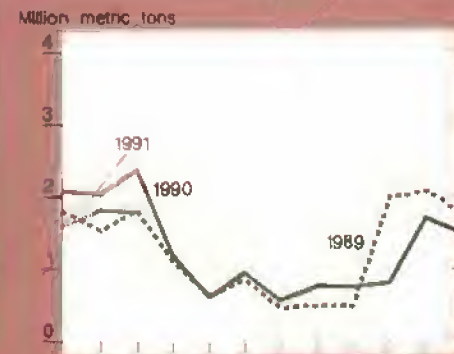
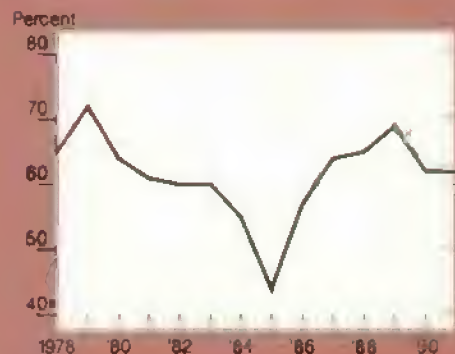
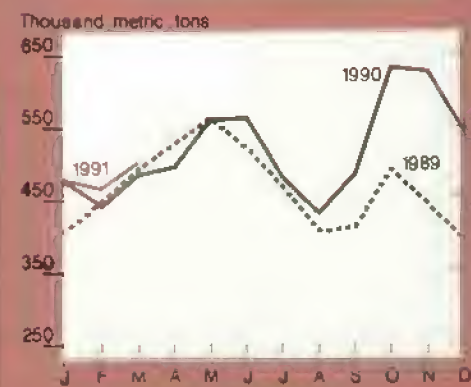
Foreign supply & use of coarse grains



Foreign supply & use of soybeans



U.S. soybean exports

U.S. share of world coarse grains exports^{1,2}U.S. share of world soybean exports^{1,2}U.S. fruit & vegetable exports³¹Excluding intra-EC trade. ²October-September years. ³includes fruit juices

Farm Finance



Farm Income Prospects Dim

Farmers' cash receipts are unlikely to top 1990's record, and government payments are expected to fall. So even the relatively small increases expected in expenses will bring net incomes down.

Prices for wheat and dairy products are forecast to average well below last year, and a much smaller wheat crop is expected. Lower receipts for wheat and dairy products will drag down total receipts. In 1991, direct government payments probably will total less than last year due to a decrease in disaster and deficiency payments.

The combination of a mere 1-percent growth in crop sales and 1-percent shrinkage in livestock sales means total receipts will be \$164-\$169 billion in 1991, about even with last year. Direct government payments added slightly more than \$9 billion to gross income in 1990, but will be down by as much as \$1 billion this year. Production expenses are forecast to be \$145-\$150 billion, up \$2 billion from last year.

For 1991, net cash income is expected to be \$52-\$57 billion, a drop of \$1-\$6 billion from 1990. Net farm income is ex-

pected to dip \$2-\$7 billion from last year to \$40-\$45 billion.

Net farm income measures the value of production plus government payments minus all costs in a calendar year, while net cash income reflects commodities sold in a calendar year plus government payments minus cash costs. Net farm income includes noncash items such as the value of unsold commodities, the imputed rental value of owner-occupied housing, and depreciation. Net farm income is dropping more than net cash income this year because several noncash income items are expected to show moderate declines.

At least half of cash receipts in 1991 are from sales of crops harvested and added to inventories during 1990. Livestock that was produced during the year but not sold also increased inventories. So, some of the value of annual production measured in net farm income is accounted for by an inventory adjustment.

The inventory adjustment for 1991 is expected to be less than last year's. Total grain and soybean production was up nearly 10 percent last year, compared with a slight decline projected for 1991/92. The relatively small growth in this year's inventory adjustment results mainly from a projected increase in the number of cattle on farms.

Milk & Wheat Hold Down Receipts

Cash receipts for wheat probably will be less than \$6 billion for the first time in 3 years. Wheat production is expected to drop nearly 25 percent this year, following last year's 35-percent increase. The average price for this calendar year will probably slip more than 5 percent from last year's \$3 per bushel.

Forecasts of a decline in milk prices from the high level of a year ago likely will bring 1991 dairy receipts down \$1-\$4 billion from 1990's high of \$20 billion.

Corn sales this calendar year are not expected to slip much below the \$14 billion estimated for 1990, despite somewhat

lower price projections. Prices likely will average 5 percent less than in 1990, while corn output in 1991 probably will be up 4 percent. Prices for other feed crops are projected to average between 4 and 8 percent less in calendar year 1991 than in 1990.

Soybean sales are forecast down 5 percent this year, but higher cash receipts for peanuts, sunflowers, and other oilseeds will likely hold total oil crop receipts steady at about \$12 billion. The annual price of soybeans is expected to average 4 percent less than last year, and output in 1991/92 is expected to dip 2 percent.

Receipts for all fruit and tree nuts are forecast up as much as \$2 billion from last year. Fresh orange prices have been climbing as the effect of the December freeze on California production becomes more evident. Apple prices are also up, reflecting a smaller crop and strong demand.

Fruit and tree nut prices are forecast up more than 10 percent from last year. For vegetables, however, lower prices, especially for potatoes and dry beans, may hold receipts close to \$11 billion.

Hog prices likely will be down almost 5 percent from the 1990 average, but a gain in production will keep receipts between \$11 and \$12 billion. Receipts for beef remain strong and are likely to top last year's record of \$40 billion. Combined turkey and broiler output likely will be up 4-6 percent, but lower prices for eggs and broilers probably will keep all poultry and egg receipts even with last year at about \$15 billion.

Expenses Are Moving Up

Cash expenses are forecast at \$124-\$129 billion, up 1 percent from 1990. Total production expenses are expected to show the same relatively modest increase, ranging from \$145 to \$150 billion this year. Livestock producers are likely to see slightly lower feed prices this year, while livestock numbers will probably increase. As a result, feed expenses will stay near last year's.

Crude oil prices have fallen rapidly since February, and are now expected to average less than in 1990. So fuel, fertilizer, and pesticide expenses for 1991 are all projected to be within 1-2 percent of last year.

FmHA debt remained higher at the beginning of 1991 than was expected. So interest paid by farmers on average outstanding debt rose for 1990 and 1991 from earlier forecasts.

Farmers' interest expense for short-term loans is expected to increase about 2 percent this year from 1990, rather than decline as previously expected. Interest expenses are likely to total about \$15 billion for the third consecutive year.

Total expenditures for repairing and maintaining equipment and buildings, paying hired labor, and paying property taxes are expected to increase by 3-5 percent from last year.

Government Payments Slipping 10 Percent

In 1990, disaster assistance reached almost \$900 million. Barring a replay, direct government payments to farmers are likely to drop \$1 billion this year—a decline of 10 percent. Advance deficiency payments probably were lower for the 1991 signup than for 1990 because of new flex provisions. The acreage reduction requirements were raised for wheat but lowered for other crops.

For all crops except winter wheat, acreage eligible for payments was reduced 15 percent. Overall participation does not appear to have declined from last year.

Unexpected shifts in wheat, barley, and oat prices during the 5 months following harvest would push the 5-month deficiency payment away from the current forecast. These payments will be made in the last quarter of 1991. For corn, sorghum, rice, and cotton, 5-month payments won't be made until calendar 1992.

Measured in current dollars, direct government payments in 1991 are likely to be the lowest in 5 years, and direct payments measured in constant 1982 dollars probably will be the lowest since 1982. Direct payments are also likely to be a smaller share of gross cash income this year—under 5 percent—than any year since 1982.

Most Regions To Have Less Farm Income

Although the farm sector's net cash income is forecast down about 5 percent in 1991, incomes in the Northeast and Midwest are expected to drop more sharply. Net cash incomes in the West and South Central regions are expected to be down by a smaller percentage. And in the Southeast, net cash incomes are likely to remain unchanged in 1991.

Lower dairy receipts are pushing net cash income down sharply in the Northeast this year. About 20 percent of farm sector receipts from dairy products and 10-15 percent of poultry cash receipts are collected in the Northeast. If poultry receipts hold steady and dairy receipts decline as expected this year, the region's livestock cash receipts could drop over 5 percent.

Although the Northeast provides less than 10 percent of the nation's total fruit receipts, these crops are important locally and probably are responsible for boosting regional crop receipt estimates slightly (over 2 percent) this year.

Since the Midwest accounts for 45 percent of all food grain sales and for 70 percent of both feed and oil crops, declining wheat sales there are being cushioned by the prospect of more stable corn and oil crop receipts. Crop cash receipts will likely be down 1 percent in 1991.

Livestock receipts in the Midwest probably will also decline about 1 percent. The Midwest's 55-percent share of the nation's red meat receipts is partially offsetting the sharp drop in dairy receipts. Over 40 percent of dairy sales come from the Midwest. Direct government payments in the region may drop more than 10 percent, and as cash expenses

climb 1 percent, net cash income in the Midwest is expected to be down between 8 and 10 percent.

In the South Central region, 1-percent-lower crop receipts will probably be coupled with 1-percent-higher livestock receipts, the reverse of the national picture. The region accounts for about 25 percent of poultry receipts, more than 15 percent of red meat receipts, over 50 percent of cotton sales, and 20-25 percent of food grain receipts. Direct payments are expected to be down more than 6 percent and cash expenses to increase 1 percent. Resulting net cash income in 1991 will be down about 3 percent from last year.

The West may see a 3-percent gain in crop receipts in 1991. Farms in the West usually account for 65 percent of fruit and tree nut sales, almost 35 percent of cotton sales, and 55 percent of vegetable cash receipts. Nationally, fruit prices are expected to be up more than 10 percent. Although cotton and rice production is expected to be down in California this year, fruit and vegetable output is likely to be maintained despite the drought.

The West accounts for 20 percent of the nation's dairy receipts and almost the same share of red meat sales. The likelihood of continued strong red meat receipts is keeping livestock receipts from shrinking more than 2 percent this year. Net cash income in the region is forecast to decline about 2 percent from 1990.

Tobacco and Fruit To Boost S.E. Farmers

Higher cash receipts are projected for two of the Southeast's major crops—tobacco and fruits. The Southeast provides nearly 95 percent of tobacco receipts and 25 percent of fruit and tree nut sales. In addition, the region usually accounts for nearly 20 percent of vegetable receipts and over 35 percent of poultry receipts.

A drop in direct government payments and a small rise in expenses is partially offsetting the expected growth in receipts. Still, the Southeast's net cash income is not expected to decline from 1990.

Farm Finance

The expected 1-percent increase in 1991 farming expenses nationally will probably be felt evenly across the five farming regions. A 10-percent decline in direct payments is more likely to have a variety of regional impacts. Payments to farmers in the Northeast, Midwest, and Southeast could fall by more than 10 percent, while payments to farmers in the South Central region probably will fall by less than 10 percent. [Diane Bertelsen (202) 219-0708] **AO**

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Resources



California Drought Persists

Despite tremendous rains in March, irrigation water supply shortages continue for California growers. Facing a fifth year of drought, producers recognized early in the year that water supplies would be a limiting factor (see the March 1991 AO).

Current agricultural surface water allocations have changed little from early forecasts and are not expected to increase this summer. The California State Water Project (SWP), which normally delivers about 5 percent of the total irrigation water, is not distributing any water to irrigators.

The Central Valley Project (CVP) of the U.S. Bureau of Reclamation, which normally delivers about 30 percent of the total, indicates that deliveries to most contractors will be only 25 percent of normal, with two major exceptions. Water-right holders whose claims predate Federal water development (about 40 percent of normal deliveries) will receive 75 percent of normal supplies, as specified in their contracts. And the Friant Unit of the CVP will deliver just over 50 percent of normal supplies

to some water districts from Fresno to Bakersfield.

In California, surface water rights are granted on the basis of seniority, with the oldest rights having the greatest assurance of an annual water supply. Some of the producers served by private irrigation districts have rights that are senior to the SWP or the CVP. These producers had water to sell and sold more to the state's water bank than producers served by the SWP or the CVP (see box).

The SWP and CVP draw primarily on water in the Sacramento River and its major tributaries, and this area remains seriously short of water available for delivery. The Sacramento River basin runoff forecast is the eighth lowest on record—during the past 50 years, only 1976 and 1977 were lower.

"Miracle" March Rains Help...Somewhat

With no increase in irrigation water supplies, why has the rainfall in March been called the March "miracle"? The short answer is that California avoided a major catastrophe. The overall water supply would have been much worse except for the three-times-normal March rains through the central portion of the state.

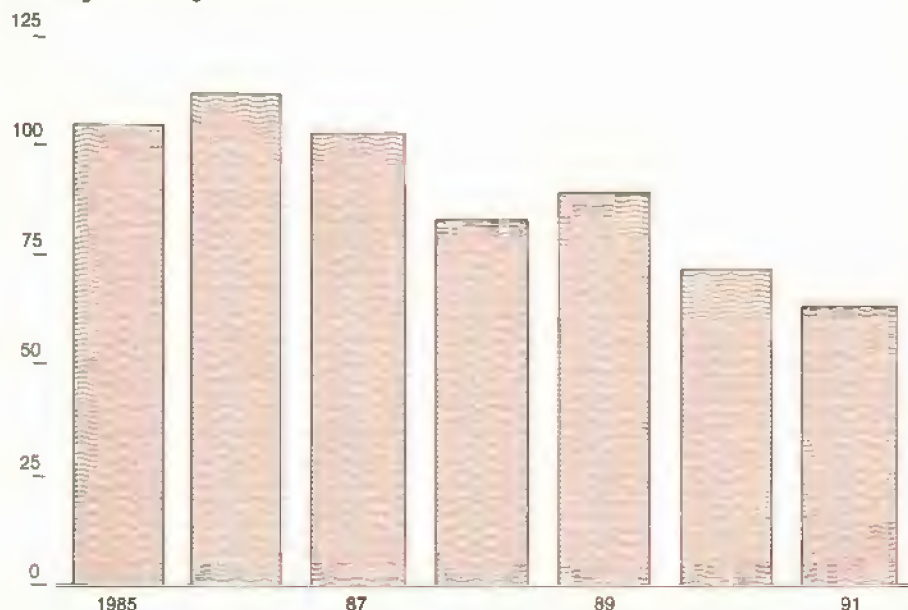
For agriculture, the March rains will prevent 1991 from becoming a disastrously dry year. The rains provided beneficial soil moisture, some groundwater recharge, improved range and forest conditions, significantly improved runoff and reservoir conditions in some locations, and increased reservoir storage for 1992.

For example, Millerton Lake on the San Joaquin River increased from 59 percent of normal storage on March 1 to 117 percent on May 1. As a result, the Friant Unit of the CVP, which relies on Millerton Lake and not on imported water from the Sacramento River, is able to deliver about 50 percent of normal.

The improved supply also allowed the CVP to provide 73,000 acre-feet in

California Reservoir Levels Continue To Drop

% of long-term average



"hardship" water deliveries for agriculture to supplement the sharply reduced allocations in some cases. Carryover storage in CVP reservoirs increased from 7 to 37 percent of target levels, thanks to the rains.

Local Ag Impacts Likely To Be Severe

The drought is serious enough so that agricultural production, net income, and farm-related business will all suffer as a result. Net returns are expected to decline due to lower production and higher water costs (see the following article).

Some local areas will be especially hard hit, although the effects are not likely to be felt much outside these local areas. Near-normal production of fruits and vegetables and higher commodity prices for some crops will mitigate the impacts of lost production.

In response to the reduced surface water supplies, producers who normally rely on irrigation are increasing groundwater use, idling some land, seeking to minimize waste, and shifting water to produce higher value crops. Despite

these efforts, reduced production is expected for cotton, rice, corn, and most other irrigated crops to some extent.

According to the *March Prospective Plantings*, California's cotton area likely will be down 14 percent from last year and rice down 23 percent (see map, page 27). USDA's new acreage estimates were released on June 27, after this report went to press.

Future income potential from permanent crops will not be reduced as first feared. In almost all cases, the orchards and vineyards in jeopardy earlier in the year will have enough water to survive, due to the "miracle March" rains and CVP hardship water, together with efforts by producers to find alternative water sources, and purchases from the state water bank.

Some local areas will experience a significant reduction in agricultural and agriculture-related incomes. Kern County, at the southern end of the Central Valley, uses both ground- and surface water in a "normal" year. This year Kern County is experiencing a 56-percent shortfall in surface water supplies. The State Water Project that normally delivers 47 percent (1 million acre-feet)

of the county's surface water is delivering none.

Yet Kern County was one of the bright spots benefiting from the "miracle" March rains, with local surface water sources (privately developed and the Friant Unit of the CVP) able to supply over half of their normal deliveries. The county is also purchasing water from the water bank and pumping emergency groundwater supplies to help fill the gap.

Despite these efforts, no water supplies are available for production on about 130,000 acres of the county's annual and forage crops, primarily cotton. These lands account for about 25 percent of all non-orchard irrigated acres in the county and about a third of the county's cotton acres.

The major rice-growing region is another area experiencing serious reductions in production and probably net income. Most of California's rice is grown in the Sacramento River basin, and this area will experience the greatest production loss.

Two rice areas are expecting even further planting reductions. The acreage served by Feather River water in Yuba and Butte Counties is one area, located in the Sacramento basin. The other is the relatively smaller rice production area in the San Joaquin River basin, which planted only a few acres this year.

The Future—Uncertain But Not Business as Usual

Continued water shortages are likely. CVP reservoir carryover into next year is forecast at 25 percent less than this year, and this year was only 50 percent of target. While not guaranteeing water shortages next year, declining reservoir levels reduce the flexibility of the water delivery system for all users.

May 1 storage levels have declined to 64 percent of normal, continuing a trend of reduced water in storage since the start of this drought. Two to three years of average to above-average precipitation would be needed to bring California's reservoirs back to normal levels.

Resources

Moving Water Through California's "Bank"

To deal with the fifth consecutive year of drought, California officials chose a market mechanism as the means to transfer water to meet high-priority needs. The selected market mechanism, called the "water bank," establishes the California Department of Water Resources as the water broker. The state purchases water from willing sellers, pools it, and distributes it to purchasers to meet their needs.

With one agency serving as broker, water releases from various sources can be coordinated for distribution with less waste than if the same water were moved under individual contracts. The water bank is designed to meet some of the most critical urban, environmental, and agricultural needs, and to increase carryover storage into 1992.

The state paid \$125 per acre-foot to water users to forego consumption of about 800,000 acre-feet of surface water this year. Fifty percent of the reduced water consumption came from fallowing or not irrigating agricultural land: 56,500 acres of irrigated corn for grain, 36,000 acres of

wheat, 12,600 acres of pasture, 9,200 acres of alfalfa hay, and 9,100 acres of sugar beets.

The other half of the surface water came from substituting pumped groundwater (26 percent) and from purchasing water in storage that would not normally be available for release.

Most of the water sold to the bank came from the Sacramento-San Joaquin River Delta area (46 percent), the Yuba and Feather Rivers (38 percent), and the Sacramento River below the Shasta Dam (10 percent).

Since the bank's implementation, nine sales have been made totaling about 400,000 acre-feet at \$175 per acre-foot. Five of the nine sales (about 75 percent of the water sold) were to water suppliers in urban areas. The four sales to agricultural areas were to the San Joaquin and Tulare basins to help keep orchards and vineyards alive.

At this point in the dry season, the market-based water bank seems to be performing as intended—moving water from those willing to sell to those willing to buy. If all is not sold, carryover and increased flexibility will expand options next year.

Although the emphasis here is on agriculture, serious water shortages affect the entire California economy and the environment through complex linkages. Limited runoff and reduced reservoir levels mean less water for hydroelectric power generation, smaller lakes for recreational activities, and greater difficulty in providing instream flows for fish, wildlife habitat, and river-related recreation.

Perversely, the March rains increased the already-high chances for forest and range fires this summer. The long, severe drought has killed many standing trees. But the March rains stimulated the growth of underbrush. Now, that underbrush is very dry and needs only a spark to serve as kindling for the dead trees.

Thousands of acres of woodlands in Orange County have been closed to the public. The U.S. Forest Service has imposed campfire and smoking restrictions on most forests in southern California.

Last year, wildfires burned over 200,000 acres and damaged or destroyed about 850 homes. Adequate water to fight fires has been a concern of state officials since early spring.

The higher cost of generating electricity will affect everyone in the state but especially those pumping groundwater for irrigation. Reduced recreational opportunities will affect the livelihood of many and the quality of life for many more.

Stress on water supplies due to the continuing drought has reduced the popula-

tions of several cold-water fish species. Listing the Winter Run Chinook Salmon as a "threatened" species from the effects of this drought will influence the way reservoirs are operated. If other species are listed as "endangered," significant changes in water management patterns are likely.

The drought has intensified pressures to modify policies on historical priorities, pricing, and transferability of water resources developed by the Bureau of Reclamation—the largest single supplier of irrigation water in California.

At least six bills are now before Congress authorizing one or more temporary changes in existing water policy to alleviate drought impacts, as well as long-term drought planning, water transfer provisions, water pricing, and flows for instream uses. While most of the bills emphasize short-run provisions, a number of long-term institutional changes are proposed.

Five Dry Years, But California Is Coping

Even in this fifth year of drought, California is coping. Thanks to March rains—as well as a new water transfer procedure called the water bank, groundwater resources, and a sophisticated statewide water storage, transfer, and delivery system—the impacts on the state and nation will be relatively small.

Irrigators and households continue to find ways of reducing waste and increasing efficiency. The improvements in water management at the state and household level, as a result of the drought, will continue to keep down water demand for years to come.

The next opportunity for relief from the drought could begin in early October. But an early wet fall, while much needed for drought relief, is not a good prescription for California's field crops. With a cool, wet March and cool, dry April, field crops are off to a slow start. A long dry fall would boost crop yields, but not reservoir levels. [Noel Gollehon (202) 219-0410] **AO**

Drought Hurts Local Economies

Continuing water shortages in California are confronting farmers with additional cuts in the supply of water needed for irrigation (see previous article). As the declining supply and the increasing price of water shrink farm output and squeeze profits, overall economic activity slows down in communities where the agricultural sector is a significant part of the economic base.

The initial job losses in agriculture and agriculture-related enterprises lead to increasing financial stress and layoffs in other area businesses as local spending declines.

The continuing drought in California is severely affecting cotton and rice production this season. That's partly because all of the state's cotton and rice acres require irrigation and because cotton and rice producer incomes are partially protected by federal program payments even if production is cut.

So participating farmers can cut output, still receive much of their usual commodity program payments, and conserve on water use. However, participating cotton and rice growers who cut output will not receive marketing loans for the foregone production. And these loans can be a substantial portion of their Federal support.

Two counties in the Central Valley were chosen to illustrate the employment and income effects of a cut in the production of these two commodities: Kings County in the Tulare Lake basin of the south, where the predominant crop is cotton, and Colusa County in the Sacramento River basin of the north, where rice is half of farm output.

In these counties, the ongoing drought could cause employment to drop as much as 6 percent this growing season and

depress county income by up to 4 percent, according to USDA research. At the state level, drought-related cuts in cotton and rice production may lower business activity by 0.1 percent, but employment losses would be less than 0.1 percent.

Cotton production dominates the farm sector in Kings County. Water for irrigated agriculture in Kings County ordinarily comes from the California State Water Project and the Central Valley Project of the U.S. Bureau of Reclamation, along with local surface water largely from the Kings River, and groundwater. This year, the Kings River will

not provide sufficient water for agricultural uses, the fifth consecutive year river flow has been inadequate.

In Colusa County, rice is the single most important crop. Irrigated agriculture in the county receives water from the Central Valley Project, direct diversions from the Sacramento River, and groundwater. Most of the rice acreage is irrigated with water that is pumped either directly from the river or from a supply canal that lies relatively close to the river.

In return for allowing the Bureau of Reclamation to control the flow of the Sacramento River, senior water right

Cotton and Rice Production in California Are Highly Concentrated



Resources

Drought Shocks the California Economy: Some Background and Assumptions

	Kings County Cotton	Colusa County Rice
Planted acres, 1985-89 average	260,600	96,600
Program base acres, 1989	170,213	149,660
Assumptions:		
Planted acres	192,515 (25% reduction)	77,280 (20% reduction)
Initial effects	Some acres are under program; participants forego planting 68,085 eligible acres. Program nonparticipants do not decrease planting	All acres are under program; participants forego planting 19,320 eligible acres.
Shock (1982 dollars)	Cotton sales: -\$48.4 million Deficiency payments: -\$0.43 million	Rice sales: -\$9.7 million Deficiency payments: -\$0.3 million
— — — State of California — — —		
	Cotton	Rice
Planted acres, 1985-89 average	1,133,000	394,000
Program base acres, 1989	1,560,000	629,000
Assumptions:		
Planted acres	939,000 (17% reduction)	300,000 (24% reduction)
Initial effects	Virtually all acres are under program; participants forego planting 194,000 eligible acres.	All acres are under program; participants forego planting 94,000 eligible acres.
Shock (1982 dollars)	Cotton sales: -\$150.7 million Deficiency payments: -\$1.2 million	Rice sales: -\$47.2 million Deficiency payments: -\$1.5 million

holders signed contracts with the Central Valley Project that limited their water supply cuts to 25 percent of the usual allotment. This maximum reduction is in force this year.

What's Behind The Results?

Input-output analysis was used to measure the impacts of the drought on

California and on the two county economies. The model used for this analysis was constructed by the U.S. Forest Service to help assess local and regional impacts of various economic shocks.

In providing estimates of income and employment effects of economic shocks, such as changes in cotton or rice output or changes in farm cash receipts, the model takes into account local industrial structure, interindustry linkages, and

trade flows to areas outside the local economy.

For this analysis, most cotton and rice producers were assumed to participate in Federal commodity programs. When irrigation water is in short supply or becomes prohibitively expensive, cotton and rice growers are most likely to elect the 50/92 option. This option allows participants to plant as little as 50 percent of their payment acres and receive 92 percent of their normal deficiency payment.

In Colusa County, 100 percent of rice acres are assumed to be participating in the commodity programs under the 50/92 provision. However, in Kings County, the cotton program base acreage is less than the 5-year average planted acreage, suggesting that some cotton acres are not enrolled in government programs (perhaps because of the \$50,000 payment limitation). For this reason, the analysis assumes some nonprogram acres this season for Kings County.

Assumptions such as these are needed to anchor this type of analysis. While growers' actual behavior may deviate from the assumptions and change the magnitude of the income and employment effects, the distribution of the impacts between the farm and nonfarm sectors will be the same.

Farm Jobs Lost In Farm Counties

Farming and farm-related activities comprise over one-third of Kings County's economy. Cotton production alone makes up over 10 percent of economic activity and 40 percent of agricultural sales. Assuming the drought cuts cotton acreage by 25 percent, and taking into account the direct, indirect, and induced effects of the implied loss in output, total county business activity would be expected to drop 3.5 percent.

Because of the continuing water shortage this season, employment losses in the county may reach 760 jobs. About 500 of these lost jobs would be in agriculture and related sectors.

In Colusa County, over half of the local income is from farm production and related activities. Rice production alone

accounts for 13 percent of the county's income and 40 percent of agricultural sales. Assuming a 20-percent cut in planted acres, overall business activity likely would fall about 4 percent. County employment would decrease by 350 jobs. And, as in King's County, nearly three-fourths of the job losses would be agriculture related.

These results indicate the importance of agriculture in general and rice and cotton production in particular to these counties' economies.

As expected, the effects of the drought are concentrated in counties that depend heavily on farming. At the state level, however, California's economy is highly diverse—farming and farm-related activities account for only 7.3 percent of the state's economy. The cotton and rice sectors, while important in some counties, comprise only 0.2 percent and 0.1 percent of the state's economic activity.

So, substantial drought-induced shocks to the cotton and rice sectors do not result in large reductions in economic activity in the state overall. The research suggests that the state's business activity will drop 0.1 percent and that about 8,200 jobs will be lost.

At this aggregate level, agriculture's influence on the nonfarm economy is more evident. Over half of the lost jobs are in nonagricultural sectors, primarily services. Still, the total job loss is a small proportion of California's more than 12 million jobs. [Judith Sommer, Mindy Petrulis, and Fred Hines (202) 219-0526] **AO**

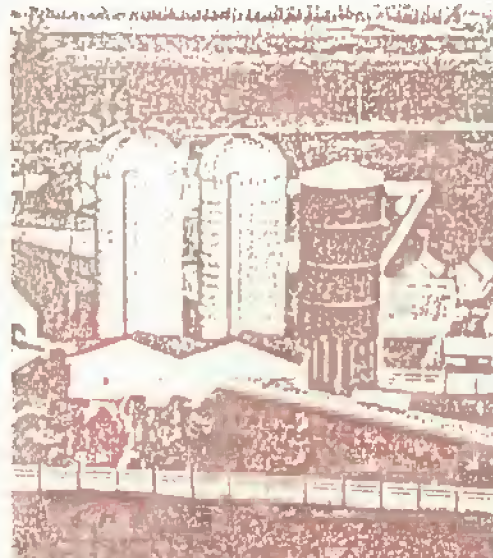
Research Shows Short Water Supplies Pull Down Income and Employment 1/

	Kings County	Colusa County	California
		\$ million	
Personal Income	1,424.5	298.3	579,200
Share of total area income:		Percent	
Farm-related industries 2/	36.6	52.4	7.3
Farm production sector	29.8	45.7	2.6
Cotton	12.8	—	0.2
Rice	—	13.3	0.1
Potential drop in business activity:		Percent	
Local economy	-3.5	-3.5	-0.1
Farm related industries	-7.5	-4.4	-0.4
Farm production sector	-9.1	-4.9	-1.1
Inputs, marketing, and processing	-0.4	-0.9	—
Nonfarm industries	-1.3	-2.6	-0.1
		Number of jobs	
Employment	31,170	5,870	12,217,000
Potential job losses	760	350	8,200
Farm-related industries	500	260	3,600
Nonfarm Industries	260	90	4,600

1/ Overall income and employment data are from 1989 and 1987 respectively, the latest available

2/ Includes indirectly related agribusinesses

— Less than .05 percent.



Policy



New Nutrition Labels for Consumers

The U.S. government is developing new nutrition labeling guidelines for foods, which will provide consumers with important nutrition information to help them make informed choices in their daily selection of foods.

The Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS), which regulates the labeling of all foods other than meat and poultry products, is developing nutrition labeling regulations that were mandated in the Nutrition Labeling and Education Act of 1990 (NLEA). The implementing regulations will mark the first major change in nutrition labeling regulations since 1973.

USDA's Food Safety and Inspection Service (FSIS), which regulates meat and poultry labeling, announced in early 1991 its plans to mandate nutrition labeling of processed meat and poultry products. In an April 2 *Federal Register* notice, USDA outlined the issues and its tentative positions for a program of nutrition labeling for meat and poultry. USDA intends to issue proposed regulations by the end of the year.

To reduce confusion, USDA and FDA are committed to working together to develop food labels that are similar in format, content, and definitions. FDA is testing a number of new label formats in order to find a format that is most helpful and understandable to consumers. FDA and USDA intend to use the same label format.

Prior to the NLEA, nutrition information was allowed on a voluntary basis, following a standard format. Regulations required nutrition labeling on FDA-regulated products only if a nutrient had been added to a food, or if a nutrition claim were made.

Although largely voluntary, industry responded to consumer interest in nutrition and provided nutrition labeling for nearly 60 percent of FDA-regulated packaged foods and 35-50 percent of processed, packaged meat and poultry products. However, that still left many packaged food products without nutrition labeling, as well as eggs, fresh produce, raw seafood, and fresh and frozen meat and poultry products.

As consumers have become more aware of links between diet and health, their interest in nutrition and food choices has grown. Consumers want more information about macronutrients (fat, saturated fat, cholesterol, fiber, etc.). Consumers also have expressed confusion about what they perceive as misleading descriptors, nonstandard serving sizes, "and/or" labeling, and deceptive advertising.

A recent survey by the National Food Processors Association indicated that while a large majority of shoppers claimed they read ingredients and/or nutrition labels and used the information in their purchase decisions, over half do not find nutrition and ingredient information very understandable.

New Labels List Fat, Saturated Fat, Cholesterol

The new labels will change the focus from micronutrients (vitamins and minerals) to macronutrients, and will contain, among other things:

- number of servings per container,
- serving size,
- total calories per serving,
- number of calories from total fat per serving, and
- total fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and total protein per serving.

Any vitamin, mineral, or other ingredient previously required to be listed by the Food, Drug, and Cosmetic Act (FDCA) must also be listed on the label if the Secretary of HHS considers this information will help consumers maintain healthy dietary practices. In addition, certain dietary supplements of vitamins and minerals will have to include nutritional information in their labels. For bulk foods, the nutrition information may be displayed near the bulk containers.

At the Secretary's discretion, certain information may be highlighted or additional nutrients included on the label, and some nutrients may be exempted from the labeling requirement, if these actions will help consumers maintain healthy dietary practices. The Secretary is also directed to carry out consumer education about nutrition labeling.

Regulations Will Define "Free," "Lite," & "Low"

FDA is developing definitions for product descriptors such as "free," "low," "light" or "lite," and "reduced." USDA intends to adopt these FDA definitions for label descriptors. In addition, USDA points out that there might be a need for additional descriptors, since only some meat and poultry products are likely to meet the FDA definition for "low-fat" and "low-cholesterol." However, since the amount of fat and cholesterol in meat and poultry products may vary greatly, descriptors unique to meat and poultry products could assist consumers in making their selections.

Under the new law, a label may no longer state the absence of a nutrient unless the nutrient is usually present in the

food, or unless the statement can be shown to help consumers make healthful dietary choices. For example, a label may not claim a product is cholesterol free if cholesterol is not normally present in the food, unless certain conditions are met.

A label may not make a claim about the level of cholesterol in a product if the food contains a level of fat or saturated fat in an amount considered to increase the risk of disease or a diet-related health condition. Similarly, a food label may not state that a food is high in dietary fiber unless the food is low in total fat, or unless the level of total fat is stated prominently in immediate proximity to the dietary fiber claim. The Secretary has the discretion to make exceptions to these constraints.

FDA and USDA are also working together to develop serving sizes for categories of foods. The NLEA requires FDA to base its serving sizes on the amount of food customarily consumed.

Voluntary Nutrition Labeling

USDA is proposing voluntary nutrition labeling guidelines for fresh and frozen meat and poultry products. And FDA is proposing voluntary guidelines for the 20 most frequently consumed varieties each of raw vegetables, fruit, and raw fish. The regulations for fresh products would permit nutrition information to be posted in a single location in each area where the retailer displays meat and poultry, fresh produce, or fresh seafood for sale. The information on nutrients would be

expressed as an average amount per serving of the fruit, vegetable, or raw fish.

Guidelines for FDA-regulated foods may be applied regionally. After two and a half years, if a significant number of retailers has failed to comply with the FDA's voluntary guidelines, nutrition labeling regulations will become mandatory for the 20 varieties each of raw vegetables, fruits, and raw fish most frequently consumed.

Law Exempts Restaurants

The NLEA exempts some foods and food establishments from the new nutrition labeling standards:

- food sold for immediate consumption in restaurants or for sale or use in restaurants;
- food processed and prepared primarily in a retail establishment but not for immediate consumption in the establishment, such as bakeries or carry-out establishments;
- food products shipped in bulk form that are not for distribution in that form and are to be processed, labeled, or repacked at sites other than where originally processed or packed;
- food sold by small businesses or sold by distributors to restaurants or certain other establishments;
- food in small packages that make no nutrition claims, and food containing insignificant amounts of all nutrients

and making no claims about nutritional value; and

- medical foods and certain infant formulas.

Both USDA and FDA will make provisions for a simplified nutrition label when many of the nutrients are present in insignificant amounts.

Under the NLEA, for items under FDA's jurisdiction, a state may request an exemption to impose a state or local labeling regulation if the exemption would not conflict with the new Federal law or unduly burden interstate commerce. The exemption must address a particular need for nutrition information that is not met by Federal regulations. States are still permitted to require warning statements or actions regarding food safety.

The FDA must issue final regulations implementing the NLEA by November 1992. The act specifies that food labels must be in compliance by May 1993. USDA hopes to meet FDA's timetable for nutrition labeling. So, at that time, consumers will be able to pick up any food product in the supermarket and get standardized nutrition information.

For more information on the status of the regulations call Cheryl Wade (FSIS) (202) 447-7625 or Virginia Wilkening (FDA) (202) 245-1561. [Betsy Frazao (202) 219-0864 and Lori Lynch (202) 219-0696] **AO**

Special Article



Outlook Mixed For World Grains in 1991/92

World grain production in 1991/92 is likely to shrink while trade is expected to show a modest gain over 1990/91. But economic reforms and adjustments in the Soviet Union and Eastern Europe and uncertainty over exporters' policies will all play significant roles in 1991/92 prospects.

World total grain supplies are expected to drop slightly in 1991/92, according to USDA's early projections. Production and consumption are projected to be about equal, and this balance should mean little change in world stocks. Small declines in global production and use of wheat and coarse grains are likely, with a slight pickup in trade.

The anticipated gains in 1991/92 world trade are modest, following a year when the volume of both wheat and coarse grain trade fell. This trade decline partly reflected record foreign wheat and coarse grain crops; foreign output of both is expected down in 1991/92, but wheat is more likely than coarse grains to post significant trade gains.

For all countries, large adjustments in these early projections are possible, with unusual weather the most likely source of change. The most uncertainty revolves around the Soviet Union and China, two of the largest players in the world grain market. Questions about the Soviets have been paramount

recently because of the unsettled state of the Soviet economy and politics. Policy changes in both countries also cloud the picture.

World coarse grain prices are likely to decrease relative to wheat in 1991/92. Tighter world supplies and stronger trade prospects are likely to lead to higher wheat prices in 1991/92. With coarse grain supplies projected up and world trade relatively flat, coarse grain prices are expected to decline modestly.

World wheat prices have been well below those of corn throughout 1990/91, leading to increased use of wheat to feed livestock in several countries. As the price gap between wheat and coarse grains narrows, wheat feeding is likely to decline.

The fall-off in wheat feeding will contribute to the first drop in world wheat consumption in a decade. The steepest consumption declines are projected in the U.S., and in the Soviet Union, where dockage and waste are forecast down as well as the use of wheat for feed. Wheat consumption in the rest of the world is unchanged. World coarse grain consumption is projected up marginally, reflecting small increases in both U.S. and foreign use.

World Wheat Production To Slip But Coarse Grains Still High

World grain production is projected down 2 percent from the 1990/91 record. While the world corn crop is projected to reach a record 492 million tons, global wheat output is projected to decline to 553 million tons in 1991/92, still second only to the record 592 million of the previous year. Global output of coarse grains is projected to rise slightly in 1991/92 to 826 million tons.

The U.S. will account for the largest drop in wheat production due to sharp reductions in winter wheat area and yield. Foreign wheat production in 1991/92 is forecast down 4 percent to 498 million tons, still the second-highest output on record. Area is projected down as producers in some countries plant less in

Projected World Wheat and Coarse Grain Output Is Down

	1989/90	1990/91	1991/92
<i>Million tons</i>			
Argentina	18.5	22.3	20.1
Australia	21.0	22.3	19.4
Canada	48.1	57.8	49.1
China	184.3	203.5	194.4
East Europe	101.6	93.6	94.8
EC	171.7	168.7	176.8
Soviet Union	197.1	221.3	196.5
United States	276.8	305.1	295.5
Others	319.3	322.7	332.3
Total	1,338.4	1,417.2	1,378.9

1990/91 forecast, 1991/92 projected.

response to low world prices, and yields are projected down from the 1990/91 record. The Soviet Union, Canada, Australia, and China are expected to post the largest declines in foreign output.

An increase in U.S. coarse grain production is expected to offset a decline in foreign output. Foreign coarse grain output is projected at 586 million tons in 1991/92, down almost 9 million tons from the forecast 1990/91 record. Although foreign area harvested is expected to rise marginally, average yields are likely to retreat from the 1990/91 record, assuming normal weather conditions.

Foreign production of corn is projected up about 14 million tons to a record 282 million. But large declines are expected for barley and rye, a small drop for oats, and little change for sorghum.

In Eastern Europe, policy reforms and structural changes have apparently had a limited impact on crop production so far. The region's 1991/92 wheat output is projected down 7 percent from 1990/91. Yields are expected to fall from the 1990/91 record in northern countries, with continuing dry conditions hampering production, particularly in Romania and Bulgaria.

Coarse grain production in Eastern Europe is projected to register strong gains in 1991/92, up 4 million tons. This mainly reflects expectations of more normal corn yields in the Balkan States that were hit by adverse weather in 1990/91.

Favorable moisture conditions are expected to result in record grain production across North Africa. In the Middle East, wheat production is forecast up, mainly due to a projected near-record crop in Turkey.

EC Grain Output Up, But Output Lower for Other Competitors

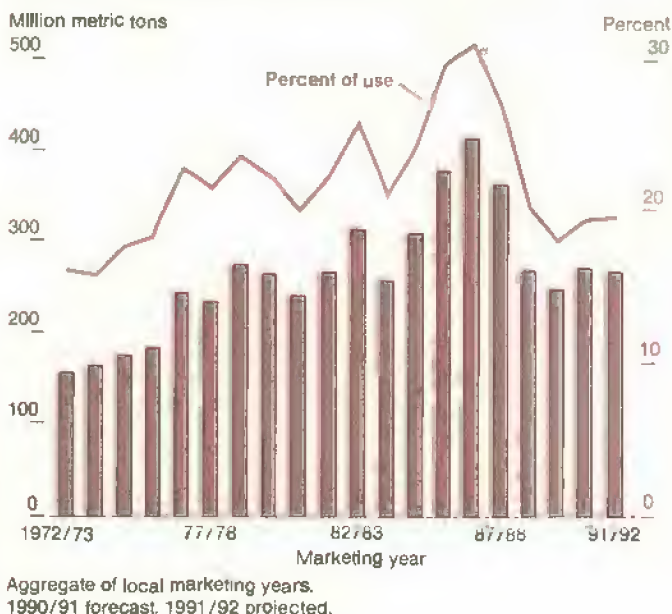
Wheat output by major competitors—the EC, Australia, Argentina, and Canada—is forecast down 5 percent to 136 million tons. The outlook for foreign coarse grain exporters is mixed.

Wheat output in EC countries (including the former East Germany) is forecast up 4 percent in 1991/92. EC policies generally protect farmers from fluctuations in international prices. Last autumn, winter wheat prices in the Community appeared more favorable than most alternative crops, and farmers responded by expanding wheat planting. Yields are also forecast up due to more use of higher yielding soft wheat varieties and generally favorable weather.

EC farmers are also projected to increase coarse grain production more than 5 million tons. The key reason is the probable recovery of France's corn crop which suffered from drought in 1990. Total coarse grain area is expected to be stable.

The response to lower wheat prices in Canada is expected to be muted in 1991/92 due to a new government program designed

World Ending Stocks of Wheat and Coarse Grains Are Expected To Remain Fairly Flat



to provide revenue protection. In the past, low prices encouraged Canadian farmers to reduce wheat plantings. This year, area is projected to remain nearly the same as 1990/91, but yields are forecast down 18 percent from 1990/91, when favorable weather boosted yields to a record high. Wheat production in Canada is projected at 26.1 million tons.

A substantial fall in Canada's coarse grain production is also forecast because of lower area and yields which, like wheat, benefited from excellent weather in 1990/91.

Farmers in Australia will be more responsive to world prices than EC or Canadian farmers and reduce their wheat area. Wheat area in Australia is projected down 13 percent, and assuming average yields, production is projected down 22 percent from 1990/91. Some growers are substituting barley or minor crops for wheat because of relative price expectations. As a result, Australia's coarse grain output is projected up 7 percent.

In Argentina, farmers once again face economic uncertainty because of policy shifts and the dismal state of the economy. The government removed export taxes on wheat, but some farmers fear that taxes will be reimposed later in the year. After falling through much of 1990/91, wheat prices have risen in recent weeks, but production costs have risen as well. Wheat area is forecast down 10 percent. Assuming average yields, production is projected down 9 percent from 1990/91.

Coarse grain production in Argentina is also projected down, although much hinges on the relative price of soybeans at planting several months from now. Argentina is just completing an excellent 1990/91 coarse grain crop, but is projected to produce about 1 million tons less in 1991/92, assuming average yields.

Special Article

Among the smaller coarse grain exporters, Thailand's production is forecast about the same as a year earlier. South Africa's crop is projected to rebound 1 million tons in 1991/92, assuming more normal conditions than existed in 1990/91 when a late start to seasonal rains reduced and delayed plantings.

Reduced Prospects in USSR & China Cloud the Outlook

Soviet grain production is projected at 210 million tons in 1991/92, down 11 percent from the bumper crop of 1990/91. Wheat production is projected at 94 million tons, down 13 percent from 1990/91, because of lower area and yields. The coarse grain crop is projected to fall nearly 11 million tons from 1990/91 despite an increase in area, reflecting anticipated lower yields.

Total grain area, already trending down in recent years, will drop further. The troubled economy and faltering pace of reform in the Soviet Union are reflected in scarcities and uneven distribution of inputs including seed, fuel, and spare parts for machinery, a situation that could contribute to a decline in yields from last year's record.

A reduced Soviet crop will likely lower grain procurements by the state and result in greater import needs. Wheat and coarse grain imports currently are forecast at 29 million tons, up 16 percent from 1990/91. Recent food price increases from artificially low levels are likely to reduce grain consumption and waste. Imports probably would be forecast higher, except for a shortage of foreign exchange that is limiting Soviet import capacity. Credit availability will again be critical, as in 1990/91 when most of the wheat and coarse grain imports were bought with credit, barter arrangements, or other exporter assistance.

China's grain output is projected to decline slightly from the all-time high in 1990/91, but still will be the second highest on record. Wheat production is projected down 3 percent, with area up slightly but yields likely to come down from the 1990/91 record. Coarse grain output is projected to decrease nearly 7 million tons in 1991/92 due to a lower corn crop.

The 1990/91 bumper grain harvest depressed prices in China, and more wheat and corn remained on farms, reducing farmers' incentives to plant this year. Although government procurement centers ran out of money to buy all of the 1990/91 crop, the government continued to pressure farmers to plant food grains instead of more profitable crops. However, in lieu of corn, farmers are expected to plant more cotton and other cash crops.

China is the world's second-largest wheat buyer and the second-largest corn exporter. China's 1991/92 wheat imports are projected at 10.5 million tons, up 10 percent from 1990/91, but its needs will be limited by the large projected crop and by a hike in consumer prices. The government recently raised the

retail flour price by more than 50 percent, the first price increase since the mid-1960's, and this is expected to reduce per capita wheat consumption.

Although its coarse grain exports are projected at 5.3 million tons, down 9 percent from 1991/92, China is expected to continue to be a strong competitor, especially in East Asian markets. Large supplies and the slow development of China's livestock sector are contributing to the nation's strong corn export performance.

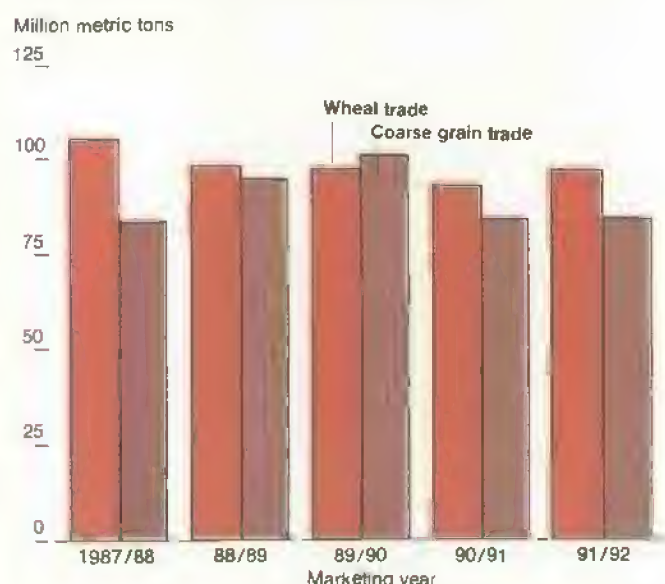
Sharp Competition For World Wheat

World wheat trade is projected up 4 percent from 1990/91. Major foreign wheat exporters are entering 1991/92 with record beginning stocks, increasing total supplies. Despite projected output declines (except in the EC), the 2-percent increase in competitors' supplies will ensure strong competition for the world's wheat markets and relatively low world wheat prices.

In addition, the major wheat exporters will face expanded competition from some smaller exporters, including Turkey, India, Saudi Arabia, and some Eastern European countries. These smaller wheat exporters are likely to benefit from increased wheat purchases by the Soviet Union and Middle Eastern countries.

Exports by the EC and Canada are projected to increase 5 and 3 percent. In contrast, a forecast of lower wheat supplies in Australia and Argentina is expected to sharply reduce both countries' exports and Australia's market share from 1990/91.

World Wheat Trade Is Forecast Up 4 Percent



Excludes intra-EC trade. July-June trade year for wheat, October-September for coarse grains. 1990/91 forecast. 1991/92 projected.

Wheat Trade Shows Modest Gains, Coarse Grain Trade Is Flat

	Wheat			Coarse grains		
	1989/90	1990/91	1991/92	1989/90	1990/91	1991/92
Exporters						
	<i>Million tons</i>					
Argentina	5.6	5.3	5.6	4.5	5.8	6.1
Australia	10.8	11.0	9.0	2.8	1.9	2.4
Canada	17.0	19.0	19.5	4.5	4.8	4.8
China	0	0	0	3.5	5.8	5.3
EC	21.0	20.0	21.0	8.5	8.4	9.0
Total foreign	63.0	64.2	66.4	31.2	32.0	32.4
United States	33.5	28.5	30.0	69.1	52.0	51.7
Total	96.5	92.7	96.4	100.2	83.9	84.1
Importers						
Soviet Union	14.6	13.5	15.0	23.0	11.9	14.0
China	13.0	9.5	10.5	1.1	0.7	0.6
Others	68.9	69.7	70.9	76.1	71.3	69.5
Total	96.5	92.7	96.4	100.2	83.9	84.1

1990/91 forecast, 1991/92 projected.

A projected increase in wheat imports by the Soviet Union and Middle Eastern countries is expected to offset forecast import declines by North Africa and East Asia. Wheat imports by Middle Eastern countries are projected to increase 27 percent in 1991/92. Iraq is expected to return to the world wheat market and will account for much of this import expansion. Other countries in the region are also forecast to increase wheat imports to meet the needs of refugees.

Record wheat crops projected across North Africa are expected to sharply reduce the region's imports. Latin American imports are forecast to remain high as Brazil's imports are projected up. A record wheat crop in South Asia is likely to dampen the region's import expansion, but Bangladesh is forecast to import 20 percent more wheat in 1991/92 than in 1990/91. In East Asia, wheat imports are projected down 3 percent, mostly because South Korea's livestock industry is expected to import more corn and less wheat for feeding.

Coarse Grain Trade To Remain Flat

The projected gains in coarse grain imports by the Soviet Union and South Korea are not expected to be enough to lift the trade above its anemic volume of 1990/91. Lower imports forecast for Eastern Europe, the EC, and Japan are expected to dampen world trade.

Imports by Japan, the world's largest buyer in 1990/91, have been down slightly in recent years in response to the opening of the Japanese market to imported beef. And developing

countries are expected to show little change in coarse grain imports, contributing to the lack of trade growth.

In the EC, coarse grain imports are projected down in 1991/92, continuing the general trend of the last decade. In Germany, coarse grain consumption plummeted in 1990 when the former East Germany began cutting livestock inventories and production. At the same time, EC feeding practices were adopted that incorporate more protein and nongrain feeds at the expense of grains. Imports of grain from outside the EC became prohibitively expensive when EC import tariffs were imposed. As a result of German reunification and these developments, the volume of world coarse grain imports fell.

Imports by Eastern Europe are projected to decline in 1991/92, primarily due to improved crop prospects. East European coarse grain consumption has also begun to fall as the result of policy reforms and structural changes. Slow economic growth, large debts, and shortages of foreign exchange remain formidable constraints on the region's imports.

EC coarse grain exports are projected at 9 million tons, up 7 percent from 1990/91. While some corn exports are expected, barley makes up most of EC coarse grain exports. Large beginning stocks and the likelihood that the EC will offer credit to the Soviet Union are expected to enable the EC to increase its share of the world coarse grain market.

Australia is also projected to increase its coarse grain exports as a result of improved barley and sorghum crop prospects. Canada's, Argentina's, and Thailand's coarse grain exports likely will be close to 1990/91 levels.

Special Article

U.S. Exports Hinge On Sales to USSR & China

While the modest recovery in world wheat trade is projected to boost U.S. exports 5 percent to 30 million tons in 1991/92, U.S. coarse grain exports are forecast down marginally to 51.7 million tons. The U.S. combined market share for wheat and coarse grains is projected at 46 percent, about the same as in 1990/91.

Projections for relatively low imports by the major customers for U.S. wheat, including the Soviet Union, China, and North Africa, as well as fierce competition from other exporters, will limit the growth in U.S. wheat exports. The U.S. share of the world wheat market, projected at 31 percent—the same as in 1990/91—will be constrained by large competitor supplies.

With keen competition for major wheat markets, the Export Enhancement Program (EEP) will remain a critical element of the U.S. competitive position in 1991/92. No cap is presently in effect on available EEP funds for fiscal 1991, and a \$1.2-billion EEP budget has been proposed in the Presidential budget package for fiscal 1992.

Sluggish imports rather than increased competition among exporters are responsible for hindering growth in U.S. coarse grain exports. The U.S. market share is projected to decline only slightly to 62 percent from 63 percent in 1990/91.


Several factors could change the U.S. wheat and coarse grain export forecasts, however. The volume of U.S. grain exports is closely associated with the volume of grain imported by the Soviet Union and China, and changes in those markets will affect U.S. forecasts.

The considerable annual variation in Soviet corn purchases usually accounts for most fluctuations in U.S. coarse grain exports. In calendar 1991, the Soviet Union is expected to meet the terms of the Long-Term Agreement on grains, and access to credit will be critical. On June 11, the U.S. offered \$1.5 billion of guaranteed credit to the USSR for grain and other agricultural commodities.

In 1990/91, China was the largest U.S. customer for wheat. However, there is some concern that China may cut back on U.S. wheat imports if it loses its Most Favored Nation (MFN) status.

Stocks-to-Use Ratio Remains Tight

Although beginning stocks will be up, world supplies of grain in 1991/92 (beginning stocks plus output) are expected to decline slightly because of the lower wheat production. In 1990/91, world grain stocks rose an estimated 26 million tons, the first increase in 4 years. This eased concerns about the adequacy of world supply. At 270 million tons, however, wheat and coarse grain carryover stocks are low by historical standards, even dismissing the abnormally high levels of the mid-1980's. Ending stocks are estimated to be 19.4 percent of world use in 1990/91.

In 1991/92, a minor decline of 2 million tons in world wheat and coarse grain ending stocks is projected, leaving the forecast ratio of ending stocks unchanged. Any large shock in a major producing country or region could radically affect the world grain market and prices. Changes in relative prices of wheat and coarse grains as a result of a shock, or even a less dramatic supply or demand shift, also could change trade patterns by encouraging or depressing trade in wheat used to feed livestock. [Pete Riley and Sara Schwartz (202) 219-0825] 

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Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1989		1990		1991				
	IV	Annual	IV	Annual	I	II F	III F	IV F	Annual F
Prices received by farmers (1977=100)	146	147	145	150	146	146	145	143	—
Livestock & products	165	160	167	171	167	164	165	161	—
Crops	126	134	122	128	124	127	124	123	—
Prices paid by farmers, (1977=100)									
Production items	165	165	174	171	173	175	—	—	—
Commodities & services, interest, taxes, & wages	178	177	187	184	188	190	—	—	—
Cash receipts (\$ bil.) 1/	162	159	172	167	158	160	173	165	164-169
Livestock (\$ bil.)	89	84	93	99	85	85	89	93	88-90
Crops (\$ bil.)	73	75	79	78	73	63	85	72	76-80
Market basket (1982-84=100)									
Retail cost	127	125	135	134	137	—	—	—	—
Farm value	108	107	110	114	109	—	—	—	—
Spread	137	134	149	144	153	—	—	—	—
Farm value/retail cost (%)	30	30	28	30	29	—	—	—	—
Retail prices (1982-84=100)									
Food	127	125	134	132	136	136	—	—	135-139
At home	126	124	134	132	136	136	—	—	135-137
Away from home	130	127	135	133	136	137	—	—	138-141
Agricultural exports (\$ bil.) 2/	10.6	39.7	9.9	40.1	11.3	8.8	8.4	—	37.0
Agricultural imports (\$ bil.) 2/	6.4	21.5	5.4	22.5	5.8	5.5	5.3	—	22.5
Commercial production									
Red meat (mil. lb.)	10,105	39,418	9,852	38,608	9,484	9,765	10,012	10,221	39,462
Poultry (mil. lb.)	5,727	22,039	6,138	23,635	5,837	6,108	6,290	6,385	24,680
Eggs (mil. doz.)	1,416	5,598	1,445	5,600	1,417	1,400	1,420	1,440	5,677
Milk (bil. lb.)	34.9	144.3	36.3	148.3	37.5	39.0	36.8	36.2	149.5
Consumption, per capita *									
Red meat and poultry (lb.)	54.9	210.4	55.0	210.8	50.9	53.4	54.8	56.9	218.0
Corn beginning stocks (mil. bu.) 3/	3,419.3	4,259.1	2,843.2	1,930.4	1,344.5	6,640.3	4,788.7	—	1,344.5
Corn use (mil. bu.) 3/	1,489.2	7,200.1	1,499.0	8,113.4	2,338.1	2,161.9	—	—	2,879.9
Prices 4/									
Choice steers—Neb. Direct **	74.13	73.86	80.00	78.56	80.06	78-79	74-80	77-83	77-81
Barrows & gilts—7 mths. (\$/cwt)	47.42	44.03	51.67	54.45	51.50	53-54	51-57	48-52	50-54
Broilers—12-city (cts./lb.)	49.8	59.0	48.8	54.8	51.2	52-53	51-57	47-53	50-54
Eggs—NY gr. A large (cts./doz.)	92.8	81.9	88.5	82.2	85.9	70-71	73-79	75-81	75-79
Milk—all at plant (\$/cwt)	15.47	13.57	12.50	13.68	11.80	11.05-11.45	11.05-12.05	11.70-12.70	11.35-11.95
Wheat—KC HRW ordinary (\$/bu.)	4.34	4.36	2.79	3.44	2.81	—	—	—	—
Corn—Chicago (\$/bu.)	2.36	2.55	2.30	2.52	2.45	—	—	—	—
Soybeans—Chicago (\$/bu.)	5.70	6.70	5.86	5.93	5.70	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	67.1	63.7	70.0	71.3	75.4	—	—	—	—
	1983	1984	1985	1986	1987	1988	1989	1990	1991 F
Gross cash income (\$ bil.)	150.6	155.5	157.2	152.0	164.3	170.4	177.5	183	179-184
Gross cash expenses (\$ bil.)	111.0	119.0	109.3	105.2	108.2	112.3	122.8	125	124-129
Net cash income (\$ bil.)	39.5	36.6	47.9	46.7	56.1	58.1	54.6	58	52-57
Net farm income (\$ bil.)	15.3	26.3	31.0	31.0	41.3	41.8	46.7	47	40-45
Farm real estate values 5/									
Nominal (\$ per acre)	788	801	713	640	599	632	661	668	682
Real (1982 \$)	788	771	682	577	526	538	545	529	519

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter; Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages. 5/ 1990-91 values as of January 1, 1986-89 values as of February 1, 1982-85 values as of April 1. F = forecast. — = not available.

* The pork carcasses to retail conversion factor has been revised. ** Omaha Choice steer price has been replaced by the Nebraska Direct, 1,100-1,300 lb. Choice steer price.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross National Product & Related Data

	Annual			1990				1991
	1988	1989	1990	I	II	III	IV	I R
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross national product	4,873.7	5,200.8	5,465.1	5,375.4	5,443.3	5,514.6	5,527.3	5,561.7
Personal consumption expenditures	3,238.2	3,450.1	3,657.3	3,588.1	3,622.7	3,693.4	3,724.9	3,744.5
Durable goods	457.5	474.8	480.3	492.1	478.4	482.3	468.5	453.4
Nondurable goods	1,060.0	1,130.0	1,193.7	1,174.7	1,179.0	1,205.0	1,218.0	1,212.3
Clothing & shoes	191.1	204.6	213.2	212.9	212.6	216.8	211.5	213.1
Food & beverages	562.6	595.3	624.7	616.4	623.3	629.8	629.4	636.8
Services	1,720.7	1,945.5	1,983.3	1,921.3	1,965.3	2,006.2	2,040.4	2,078.8
Gross private domestic investment	747.1	771.2	741.0	747.2	759.0	759.7	698.3	664.2
Fixed investment	720.8	742.9	746.1	758.9	745.6	750.7	729.2	695.4
Change in business inventories	26.2	28.3	-5.0	-11.8	13.4	9.0	-30.8	-31.2
Net exports of goods & services	-74.1	-46.1	-31.2	-30.0	-24.9	-41.3	-28.8	12.1
Government purchases of goods & services	962.5	1,025.6	1,098.1	1,070.1	1,086.4	1,102.6	1,132.9	1,140.9
1982 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross national product	4,016.9	4,117.7	4,157.3	4,150.6	4,155.1	4,170.0	4,153.4	4,126.5
Personal consumption expenditures	2,606.5	2,656.8	2,681.6	2,677.3	2,678.8	2,696.8	2,673.6	2,664.9
Durable goods	418.2	428.0	427.4	437.8	426.6	429.5	415.6	401.3
Nondurable goods	909.4	919.9	911.1	915.6	911.2	916.4	901.2	896.8
Clothing & shoes	165.0	172.7	172.6	174.2	171.3	174.4	170.6	166.8
Food & beverages	462.2	462.9	457.4	457.4	459.3	459.4	453.6	453.5
Services	1,278.9	1,309.0	1,343.1	1,324.2	1,340.8	1,350.8	1,356.7	1,366.7
Gross private domestic investment	705.7	716.9	688.7	700.7	700.7	697.0	656.3	626.1
Fixed investment	682.1	693.1	692.3	702.9	691.2	692.3	682.7	649.9
Change in business inventories	23.6	23.8	-3.6	-2.2	9.5	4.7	-26.4	-23.7
Net exports of goods & services	-75.9	-54.1	-33.8	-35.4	-44.6	-46.5	-8.8	6.4
Government purchases of goods & services	780.5	796.1	820.5	807.9	820.2	822.7	832.3	829.1
GNP implicit price deflator (% change)	3.3	4.1	4.1	4.8	4.7	3.7	2.8	5.2
Disposable personal income (\$ bil.)	3,479.2	3,725.5	3,946.1	3,887.7	3,925.7	3,999.1	4,001.9	4,018.2
Disposable per. income (1982 \$ bil.)	2,800.5	2,869.0	2,893.5	2,900.9	2,902.8	2,898.0	2,872.4	2,859.6
Per capita disposable per. income (\$)	14,123	14,973	15,095	15,527	15,639	15,785	15,849	15,875
Per capita dis. per. income (1982 \$)	11,368	11,531	11,509	11,586	11,564	11,511	11,376	11,298
U.S. population, total, incl. military abroad (mil.)	246.4	246.8	251.4	250.4	251.0	251.8	252.5	252.9
Civilian population (mil.)	244.1	246.6	249.2	248.9	248.9	249.6	250.4	250.8
	Annual			1990				1991
	1988	1989	1990 P	Apr	Jan	Feb	Mar	Apr
Monthly data seasonally adjusted								
Industrial production (1987=100)	105.4	108.1	109.2	108.8	108.6	105.7	105.0	105.1
Leading economic indicators (1982=100)	142.7	144.9	144.0	145.2	138.8	140.4	141.4	142.2
Civilian employment (mil. persons)	115.0	117.3	117.9	117.4	116.9	116.9	116.7	117.4
Civilian unemployment rate (%)	5.4	5.2	5.4	5.1	6.1	6.4	6.8	6.5
Personal income (\$ bil. annual rate)	4,070.8	4,384.3	4,645.5	4,604.5	4,724.7	4,734.5	4,751.8	4,755.1
Money stock—M2 (daily avg.) (\$ bil.) 1/	3,072.4	3,223.1	3,329.9	3,279.9	3,332.5	3,356.1	3,376.6	3,383.8
Three-month Treasury bill rate (%)	6.69	8.12	7.51	7.78	6.30	5.95	5.91	5.67
AAA corporate bond yield (Moody's) (%)	9.71	9.26	9.32	9.46	9.04	8.83	8.93	8.86
Housing starts (1,000) 2/	1,488	1,378	1,193	1,187	847	992	901	957
Auto sales at retail, total (mil.)	10.6	9.9	9.5	9.4	7.6	8.3	8.7	7.9
Business inventory/sales ratio	1.49	1.50	1.49	1.52	1.58	1.57	1.57	—
Sales of all retail stores (\$ bil.)	137.6	145.1	150.6	149.0	147.8	151.1	151.7	151.5
Nondurable goods stores (\$ bil.)	85.3	90.8	96.0	94.5	98.9	97.9	97.7	97.3
Food stores (\$ bil.)	27.2	28.8	30.2	30.2	30.7	30.5	30.9	30.6
Eating & drinking places (\$ bil.)	13.9	14.5	15.2	15.1	15.3	16.7	15.6	15.7
Apparel & accessory stores (\$ bil.)	7.1	7.6	7.9	7.8	7.5	8.0	7.8	8.0
	Annual			1990				1991
	1988	1989	1990	May	Feb	Mar	Apr	May
Foreign exchange value of the dollar								
Japanese yen per U.S. dollar	128.2	138.1	145.0	156.2	130.5	137.4	137.1	138.1
German mark per U.S. dollar	1.757	1.881	1.617	1.660	1.481	1.612	1.703	1.720

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 3.—Foreign Economic Growth, Inflation, & Export Earnings

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F	Average 1981-90
Annual percent change												
World, less U.S.												
Real GDP	1.1	2.0	4.3	3.8	2.7	3.6	4.3	3.2	1.4	1.3	3.2	2.8
Consumer prices	13.0	11.8	12.4	12.0	9.1	11.3	17.7	32.3	40.3	22.2	12.1	17.5
Merch. exports	-7.9	-1.5	5.4	1.8	11.7	18.9	12.5	7.3	15.3	8.9	8.9	5.1
Developed less U.S.												
Real GDP	1.0	2.2	3.9	3.5	2.7	3.5	4.4	3.7	3.3	2.0	3.1	2.9
Consumer prices	8.2	5.8	4.9	4.5	2.7	2.6	2.9	4.3	4.8	4.3	3.1	5.1
Merch. exports	-4.4	-0.5	6.3	4.6	19.4	17.7	12.3	6.0	17.7	10.3	8.3	7.6
Developing												
Real GNP	1.9	1.3	4.5	4.5	2.8	4.1	4.2	3.4	1.8	2.6	5.3	3.1
Consumer prices	25.3	32.7	38.2	39.8	27.0	35.1	56.6	77.0	112.1	48.8	26.7	47.2
Merch. exports	-13.3	-3.3	3.8	-3.2	-3.5	21.7	13.2	10.5	9.9	7.0	11.5	3.4
Asia, incl. China												
Real GDP	5.7	8.0	7.5	7.3	5.8	6.9	8.8	5.4	5.5	5.9	6.2	6.7
Consumer prices	8.4	8.8	8.1	8.0	5.6	7.4	11.8	10.1	5.8	8.7	6.7	7.5
Merch. exports	-0.5	4.8	14.6	-0.9	8.8	30.1	23.2	11.6	11.0	11.8	13.8	11.0
Latin America												
Real GDP	-1.5	-2.7	3.3	3.3	3.8	3.4	0.7	1.2	-1.1	1.5	3.6	1.0
Consumer prices	67.1	108.7	133.5	145.1	82.1	115.8	216.9	342.7	523.6	125.4	65.5	179.6
Merch. exports	-10.8	-0.2	6.3	-5.5	-17.9	13.7	14.0	12.5	9.4	3.8	4.7	2.4
Africa												
Real GDP	-1.7	-0.6	-0.8	3.4	-0.9	0.6	2.3	2.8	2.7	2.4	2.3	0.3
Consumer prices	13.1	18.0	20.6	13.2	12.5	13.0	19.2	22.7	12.9	17.2	14.7	15.9
Merch. exports	-27.9	15.2	-1.0	-2.5	-17.4	14.2	-2.8	3.5	21.6	2.9	4.0	-1.5
Middle East												
Real GDP	2.9	-1.8	2.9	2.3	2.0	1.5	1.4	3.9	-6.5	-7.9	8.8	1.4
Consumer prices	12.9	11.9	14.3	17.1	14.9	19.2	19.8	25.4	17.8	38.1	25.1	17.0
Merch. exports	-21.1	-22.2	-10.5	-6.7	-19.6	25.2	1.6	24.1	18.2	-7.4	19.7	-1.5
Eastern Europe, incl. USSR												
Real GDP	1.9	2.9	1.9	1.8	3.0	1.4	4.0	1.0	-6.2	-4.4	-0.5	1.2
Consumer prices	12.4	5.0	4.2	6.0	7.4	8.9	15.5	67.3	72.2	58.7	28.4	20.5
Merch. exports	7.9	2.7	0.9	-2.7	5.4	10.4	5.0	-0.8	-4.2	1.3	2.6	2.6

F = forecast.

Information contact: Alberto Jerardo, (202) 219-0708.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1990		1991				
	1988	1989	1990	May	Dec	Jan	Feb	Mar	Apr R	May P
	1977 = 100									
Prices received										
All farm products	138	147	150	154	143	145	145	149	149	152
All crops	126	134	128	134	121	123	122	128	131	137
Food grains	138	156	123	139	100	102	103	107	110	162
Feed grains & hay	120	128	123	136	115	117	118	122	124	119
Feed grains	117	123	118	128	110	112	114	117	119	115
Cotton	95	98	107	109	109	108	112	113	117	118
Tobacco	132	145	148	147	152	154	154	153	153	153
Oil-bearing crops	108	102	93	93	96	95	93	94	94	92
Fruit, all	185	192	191	208	194	208	197	213	213	238
Fresh market 1/	197	203	202	222	204	221	207	228	228	257
Commercial vegetables	140	151	154	123	145	148	142	166	169	196
Fresh market	135	144	144	111	135	138	131	160	163	201
Potatoes & dry beans	124	166	191	232	138	137	133	136	164	248
Livestock & products	150	160	171	173	164	166	166	169	166	166
Meat animals	168	174	193	199	190	193	196	199	198	199
Dairy products	126	140	142	139	123	121	121	117	116	116
Poultry & eggs	118	137	131	125	129	134	122	136	122	119
Prices paid										
Commodities & services										
Interest, taxes, & wage rates	170	178	184	—	—	186	—	—	190	—
Production items	157	167	171	—	—	173	—	—	175	—
Feed	128	135	128	—	—	124	—	—	126	—
Feeder livestock	192	194	213	—	—	216	—	—	223	—
Seed	150	165	165	—	—	163	—	—	163	—
Fertilizer	130	137	130	—	—	132	—	—	136	—
Agricultural chemicals	129	132	139	—	—	141	—	—	153	—
Fuels & energy	166	181	204	—	—	219	—	—	198	—
Farm & motor supplies	148	155	154	—	—	156	—	—	157	—
Autos & trucks	215	223	231	—	—	233	—	—	247	—
Tractors & self-propelled machinery	181	193	202	—	—	208	—	—	210	—
Other machinery	197	206	216	—	—	220	—	—	227	—
Building & fencing	138	141	144	—	—	144	—	—	144	—
Farm services & cash rent	148	158	166	—	—	172	—	—	172	—
Int. payable per acre on farm real estate debt	162	177	174	—	—	173	—	—	173	—
Taxes payable per acre on farm real estate	147	152	157	—	—	162	—	—	162	—
Wage rates (seasonally adjusted)	172	186	192	—	—	204	—	—	204	—
Production items, interest, taxes, & wage rates	160	167	172	—	—	175	—	—	176	—
Ratio, prices received to prices paid (%) 2/	82	83	82	84	79	78	78	79	78	80
Prices received (1910-14=100)	632	673	684	703	664	663	661	681	679	695
Prices paid, etc. (parity index) (1910-14=100)	1,167	1,221	1,265	—	—	1,295	—	—	1,305	—
Parity ratio (1910-14=100) (%) 2/	54	55	54	—	51	51	—	—	52	—

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1990		1991				
	1988	1989	1990 P	May	Dec	Jan	Feb	Mar	Apr R	May P
CROPS										
All wheat (\$/bu.)	3.72	3.72	2.61	3.40	2.40	2.42	2.43	2.53	2.60	2.67
Rice, rough (\$/cwt)	6.83	7.35	6.50-7.00	7.28	6.08	6.33	6.72	7.08	7.46	7.29
Corn (\$/bu.)	2.84	2.36	2.25-2.35	2.82	2.22	2.27	2.32	2.39	2.42	2.34
Sorghum (\$/cwt)	4.05	3.79	3.66-3.84	4.07	3.67	3.72	3.87	3.93	4.05	3.80
All hay, baled (\$/ton)	85.20	86.00	86.00	99.00	80.70	82.00	80.40	84.50	88.00	84.20
Soybeans (\$/bu.)	7.42	5.70	6.75	5.97	5.72	5.72	5.65	5.76	5.77	5.69
Cotton, upland (cts./lb.)	56.6	66.2	67.8	66.2	65.9	64.2	67.9	68.5	70.8	71.6
Potatoes (\$/cwt)	6.02	7.36	8.15	9.32	5.54	5.68	5.38	5.54	6.83	11.00
Lettuce (\$/cwt) 2/	14.70	12.60	11.80	7.95	10.70	10.10	6.80	10.60	8.93	19.50
Tomatoes fresh (\$/cwt) 2/	26.90	32.90	26.40	22.30	29.80	23.10	31.60	44.00	49.30	47.20
Onions (\$/cwt)	9.75	11.60	10.30	13.40	14.40	16.60	10.70	13.00	20.10	21.90
Dry edible beans (\$/cwt)	29.90	28.50	18.80	33.40	18.80	17.30	18.20	18.90	19.60	19.90
Apples for fresh use (cts./lb.)	17.4	13.4	—	12.6	20.8	20.1	20.7	20.1	19.9	22.1
Pears for fresh use (\$/ton)	358.00	336.00	392.00	438.00	361.00	358.00	382.00	380.00	409.00	430.00
Oranges, all uses (\$/box) 3/	7.18	6.89	5.99	7.82	6.18	6.62	5.98	7.41	7.37	7.95
Grapefruit, all uses (\$/box) 3/	5.43	4.49	6.21	7.67	5.63	5.66	4.50	5.43	5.10	4.91
LIVESTOCK										
Beef cattle (\$/cwt)	66.80	69.70	74.80	74.80	76.10	76.60	77.00	78.50	78.00	77.20
Calves (\$/cwt)	89.90	91.80	96.70	101.00	96.80	98.00	104.00	107.00	109.00	106.00
Hogs (\$/cwt)	42.50	43.20	54.00	61.20	47.80	50.00	52.10	51.40	50.80	54.70
Lambs (\$/cwt)	69.50	67.30	56.00	69.80	48.60	48.00	45.80	51.10	54.60	58.30
All milk, sold to plants (\$/cwt)	12.26	13.56	13.78	13.50	11.90	11.70	11.70	11.40	11.30	11.30
Milk, manuf. grade (\$/cwt)	11.15	12.38	12.33	12.70	10.50	10.30	10.20	10.10	10.10	10.20
Broilers (cts./lb.)	34.0	36.0	32.9	35.0	28.8	30.9	29.9	30.6	30.4	31.3
Eggs (cts./doz.) 4/	53.3	70.0	70.0	61.2	76.5	79.1	67.7	80.5	65.1	69.5
Turkeys (cts./lb.)	37.0	40.0	38.3	38.3	35.6	33.9	34.4	37.6	36.7	38.9
Wool (cts./lb.) 5/	138.0	124.0	76.8	94.0	48.2	38.2	42.1	47.9	58.4	67.4

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns. 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments. R = revised. P = preliminary. — not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1990					1991			
	1990	Apr	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
		1982-84=100								
Consumer Price Index, all items	130.7	128.9	132.7	133.5	133.8	133.8	134.6	134.8	135.0	135.2
Consumer Price Index, less food	130.3	128.4	132.6	133.5	133.7	133.7	134.3	134.6	134.8	134.9
All food	132.4	131.3	133.2	133.6	134.0	134.2	135.8	135.5	135.8	136.7
Food away from home	133.4	132.5	134.6	135.0	135.4	135.7	135.8	136.2	136.5	137.1
Food at home	132.3	131.1	132.9	133.4	133.8	133.8	136.4	135.7	136.0	137.0
Meats 1/	128.5	125.2	131.0	131.7	133.1	133.6	133.5	132.8	133.1	132.7
Beef & veal	128.6	128.0	129.5	130.1	131.9	133.0	132.9	132.6	132.9	133.4
Pork	129.8	121.6	135.4	136.4	137.1	136.8	136.5	135.1	135.2	133.3
Poultry	132.5	132.1	134.6	133.7	130.5	129.7	131.3	132.7	131.9	131.1
Fish	146.7	147.2	147.4	147.0	147.0	148.5	151.1	148.7	149.6	148.2
Eggs	124.1	130.3	120.6	125.5	128.5	128.7	139.8	125.4	133.1	124.8
Dairy products 2/	126.5	125.2	127.6	128.6	128.1	126.7	125.2	125.2	124.9	124.5
Fats & oils 3/	126.3	124.3	128.2	128.1	128.8	131.0	132.4	133.1	132.5	133.0
Fresh fruit	170.9	175.7	168.7	163.2	164.8	171.2	190.2	190.6	195.9	202.3
Processed fruit	136.9	138.1	139.9	139.5	137.0	134.6	134.7	133.2	132.2	132.3
Fresh vegetables	151.1	145.6	137.3	142.2	149.5	144.0	159.9	152.5	151.1	160.2
Potatoes	162.6	167.3	152.0	139.9	134.5	133.9	139.6	140.9	139.6	144.4
Processed vegetables	127.5	127.0	128.8	127.9	127.5	128.1	127.7	128.4	128.2	128.4
Cereals & bakery products	140.0	138.9	141.8	141.9	141.7	142.4	144.3	144.3	144.3	145.2
Sugar & sweets	124.7	123.6	125.8	126.6	126.1	126.4	127.3	127.1	128.3	128.2
Beverages, nonalcoholic	113.5	112.4	114.2	115.2	114.5	113.1	115.7	116.3	114.9	115.5
Apparel										
Apparel, commodities less footwear	122.8	126.2	125.8	127.4	126.4	123.8	122.0	124.8	127.7	129.1
Footwear	117.4	118.6	118.6	120.5	119.6	118.4	117.3	118.4	120.8	121.9
Tobacco & smoking products	181.5	175.6	185.8	185.9	187.2	190.5	195.8	196.7	197.6	199.2
Beverages, alcoholic	129.3	128.2	130.8	131.0	130.9	130.9	137.3	141.6	142.2	142.5

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1990			1991			
	1988	1989	1990 P	Apr	Nov	Dec R	Jan	Feb	Mar	Apr
	1982 = 100									
Finished goods 1/	108.0	113.6	119.2	117.2	122.9	122.0	121.9	121.2	120.8	120.9
Consumer foods	112.6	118.7	124.4	123.2	125.0	124.2	124.6	124.4	125.1	125.4
Fresh fruit	113.5	113.2	117.3	112.6	123.5	121.9	125.0	129.4	132.7	129.5
Fresh & dried vegetables	105.5	116.7	118.1	103.4	117.0	95.7	97.0	95.4	97.2	119.7
Dried fruit	99.1	103.0	106.7	106.4	111.0	111.0	110.3	110.3	111.3	111.3
Canned fruit & juice	120.2	122.7	126.9	127.6	125.4	125.3	126.2	127.4	126.9	126.9
Frozen fruit & juice	129.6	123.9	138.9	145.9	119.2	116.2	113.0	115.0	112.2	112.5
Fresh veg. excl. potatoes	100.4	103.9	107.8	74.8	117.7	87.2	89.3	87.3	88.4	112.8
Canned veg. & juices	108.3	118.6	116.7	118.8	114.9	114.5	114.8	114.6	115.4	114.4
Frozen vegetables	108.6	115.5	118.5	118.9	116.6	118.2	119.3	119.3	118.8	118.6
Potatoes	113.9	153.0	157.3	108.4	129.4	135.5	134.0	137.5	134.8	158.4
Eggs	88.6	119.6	117.6	127.9	125.0	124.5	140.0	110.5	131.7	113.2
Bakery products	126.4	135.4	140.9	140.3	142.4	142.6	144.4	145.2	146.1	145.6
Meats	99.9	104.8	116.9	114.5	119.5	119.6	117.5	116.8	117.6	117.4
Beef & veal	101.4	108.9	116.0	115.8	119.6	121.3	117.6	116.1	118.1	118.4
Pork	95.0	97.7	119.7	114.1	120.7	118.2	117.7	117.7	117.3	115.6
Processed poultry	111.6	120.4	113.6	114.3	108.5	106.6	108.0	106.6	108.0	108.7
Fish	148.7	142.9	148.6	152.5	150.5	152.7	160.7	160.9	168.0	162.6
Dairy products	102.2	110.6	117.2	115.1	114.8	112.8	111.5	111.4	111.3	111.6
Processed fruits & vegetables	113.8	119.9	124.8	126.9	120.9	120.2	119.8	120.2	120.0	119.5
Shortening & cooking oil	118.8	116.6	123.2	119.7	119.7	120.8	119.8	120.7	121.6	120.3
Soft drinks	114.3	177.7	122.3	123.1	122.6	124.0	124.9	126.8	127.0	127.1
Consumer finished goods less foods	103.1	108.9	115.2	112.2	121.4	120.0	119.4	118.0	116.7	117.0
Beverages, alcoholic	111.8	115.2	117.2	117.7	117.3	116.9	124.3	124.1	123.8	124.3
Apparel	111.7	114.5	117.4	117.2	118.1	117.7	117.8	118.5	118.7	119.1
Footwear	115.1	120.8	125.6	125.4	125.9	126.1	126.5	126.9	128.4	127.9
Tobacco products	171.8	194.8	221.5	212.8	230.4	236.1	237.6	237.4	237.7	243.3
Intermediate materials 2/	107.1	112.0	114.5	112.8	117.9	116.7	116.4	115.5	114.3	114.0
Materials for food manufacturing	106.0	112.7	117.9	117.2	116.0	116.3	115.4	115.5	116.1	116.3
Flour	105.7	114.6	103.6	112.5	92.2	92.6	91.3	92.6	94.7	96.1
Refined sugar 3/	108.9	118.2	122.7	122.4	122.7	122.4	122.9	122.6	122.5	122.1
Crude vegetable oils	116.6	103.1	115.7	112.9	105.6	111.4	109.4	110.0	112.3	109.2
Crude materials 4/	98.0	103.1	108.9	103.0	116.7	110.5	113.8	104.4	101.6	101.2
Foodstuffs & feedstuffs	106.1	111.2	113.2	115.1	108.5	107.9	107.4	107.5	110.1	109.0
Fruits & vegetables 5/	108.5	114.6	117.2	106.9	119.3	106.7	108.8	110.3	112.2	123.4
Grains	97.9	106.4	97.5	107.2	85.1	87.0	85.9	88.0	94.0	94.1
Livestock	103.3	106.1	115.6	117.9	113.9	114.3	112.9	113.9	117.1	115.8
Poultry, live	121.5	128.8	118.8	117.3	108.3	104.2	110.4	103.1	110.2	107.3
Fibers, plant & animal	96.4	107.8	117.8	118.7	115.0	116.9	115.2	126.3	125.6	134.0
Fluid milk	89.4	98.8	101.3	98.0	91.8	85.8	84.6	83.9	83.7	82.1
Oilseeds	134.0	123.8	111.8	108.0	111.6	115.2	109.5	111.2	111.7	109.7
Tobacco, leaf	87.2	93.8	96.0	95.7	98.9	98.9	100.2	100.2	99.6	99.6
Sugar, raw cane	111.9	115.5	119.2	120.3	119.5	117.9	114.5	111.4	113.4	113.1
All commodities	106.9	112.2	116.3	114.1	120.1	118.7	118.9	117.2	116.1	116.0
Industrial commodities	106.3	111.6	115.8	113.2	120.7	119.0	119.3	117.2	115.6	115.5
All foods 6/	111.5	117.8	123.2	122.0	123.4	122.5	122.8	122.5	123.4	123.7
Farm products & processed foods & feeds	110.0	115.4	118.6	118.5	117.3	116.8	117.0	117.1	118.3	118.2
Farm products	104.9	110.9	112.2	113.3	108.5	107.2	106.9	106.7	109.6	109.4
Processed foods & feeds 6/	112.7	117.8	121.9	121.2	121.7	121.7	122.1	122.3	122.8	122.7
Cereal & bakery products	123.0	131.1	134.1	134.6	134.2	134.6	135.4	135.9	137.2	137.2
Sugar & confectionery	114.7	120.1	123.1	122.6	124.8	124.7	126.2	127.6	127.2	128.9
Beverages	114.3	118.4	120.8	121.5	120.5	121.1	124.3	125.2	125.2	125.4

1/ Commodities ready for sale to ultimate consumer. 2/ Commodities requiring further processing to become finished goods. 3/ All types & sizes of refined sugar. 4/ Products entering market for the first time that have not been manufactured at that point. 5/ Fresh & dried. 6/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). P = preliminary. R = revised.

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1990			1991			
	1988	1989	1990 P	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Market basket 1/										
Retail cost (1982-84=100)	116.5	124.6	133.5	132.2	135.2	135.4	137.9	137.0	137.2	138.5
Farm value (1982-84=100)	100.5	107.1	113.3	113.2	110.1	106.6	109.3	108.1	108.3	107.8
Farm-retail spread (1982-84=100)	125.1	134.1	144.4	142.4	148.7	150.8	153.3	152.5	152.7	154.9
Farm value-retail cost (%)	30.2	30.1	29.7	30.0	28.5	27.6	27.7	27.6	27.7	27.3
Meat products										
Retail cost (1982-84=100)	112.2	116.7	128.5	125.2	133.1	133.6	133.5	132.8	133.1	132.7
Farm value (1982-84=100)	99.5	103.3	116.6	117.1	116.7	114.5	114.5	116.0	116.9	117.1
Farm-retail spread (1982-84=100)	125.2	130.4	140.6	133.5	149.9	153.2	153.0	150.0	149.7	148.7
Farm value-retail cost (%)	44.9	44.8	46.0	47.4	44.4	43.4	43.4	44.2	44.5	44.7
Dairy products										
Retail cost (1982-84=100)	108.4	115.6	126.5	125.2	128.1	126.7	125.2	125.2	124.9	124.5
Farm value (1982-84=100)	90.6	99.1	101.9	98.4	95.7	88.8	86.5	88.9	85.8	84.0
Farm-retail spread (1982-84=100)	124.7	130.8	149.2	149.9	157.9	161.7	160.9	160.5	161.0	161.8
Farm value-retail cost (%)	40.1	41.1	38.6	37.7	35.9	33.6	33.1	33.3	33.0	32.4
Poultry										
Retail cost (1982-84=100)	120.7	132.7	132.5	132.1	130.5	129.7	131.3	132.7	131.9	131.1
Farm value (1982-84=100)	110.2	117.1	107.6	107.9	97.2	95.3	100.2	97.7	101.1	100.1
Farm-retail spread (1982-84=100)	132.8	150.6	161.1	160.0	168.8	169.3	167.1	173.0	167.3	166.7
Farm value-retail cost (%)	48.9	47.2	43.5	43.7	39.9	39.3	40.8	39.4	41.0	40.9
Eggs										
Retail cost (1982-84=100)	93.6	118.5	124.1	130.3	128.5	128.7	139.8	125.4	133.1	124.8
Farm value (1982-84=100)	76.7	107.5	108.0	110.3	113.8	120.8	126.5	103.3	128.7	96.6
Farm-retail spread (1982-84=100)	123.9	138.1	153.2	166.2	155.0	142.8	163.7	165.2	141.0	175.5
Farm value-retail cost (%)	52.7	58.3	55.9	54.4	56.9	60.3	58.1	52.9	62.1	49.7
Cereal & bakery products										
Retail cost (1982-84=100)	122.1	132.4	140.0	138.9	141.7	142.4	144.3	144.3	144.3	145.2
Farm value (1982-84=100)	92.7	101.7	90.5	99.7	77.8	78.6	79.2	80.3	83.5	85.3
Farm-retail spread (1982-84=100)	126.2	136.7	148.9	144.7	160.6	151.3	153.4	153.2	152.8	153.6
Farm value-retail cost (%)	9.3	9.4	7.9	8.8	6.7	6.8	6.7	6.8	7.1	7.2
Fresh fruits										
Retail cost (1982-84=100)	145.4	154.7	174.6	179.1	169.3	176.6	198.3	196.5	197.4	206.5
Farm value (1982-84=100)	116.5	108.5	128.0	118.8	150.8	132.4	205.5	198.7	185.3	166.2
Farm-retail spread (1982-84=100)	158.7	176.0	198.0	206.9	177.9	197.0	195.0	195.5	212.2	225.1
Farm value-retail cost (%)	25.3	22.2	23.2	21.0	28.1	23.7	32.7	31.9	26.4	25.4
Fresh vegetables										
Retail cost (1982-84=100)	129.3	143.1	151.1	145.6	149.5	144.0	159.9	152.5	151.1	169.2
Farm value (1982-84=100)	105.8	123.3	124.2	123.5	108.2	105.3	112.9	106.7	103.5	124.5
Farm-retail spread (1982-84=100)	141.3	153.2	165.0	156.9	170.7	163.9	184.1	178.0	175.6	182.2
Farm value-retail cost (%)	27.8	29.3	27.9	28.8	24.6	24.8	24.0	23.8	23.2	25.0
Processed fruits & vegetables										
Retail cost (1982-84=100)	117.6	125.0	132.7	133.2	132.8	131.6	131.5	131.0	130.3	130.5
Farm value (1982-84=100)	136.6	133.6	147.2	148.8	147.8	140.3	120.1	120.7	121.3	121.2
Farm-retail spread (1982-84=100)	111.7	122.3	128.1	128.3	128.1	128.9	135.1	134.2	133.1	133.4
Farm value-retail cost (%)	27.6	25.4	26.4	26.6	26.5	25.3	21.7	21.9	22.1	22.1
Fats & oils										
Retail cost (1982-84=100)	113.1	121.2	126.3	124.3	128.8	131.0	132.4	133.1	132.5	133.0
Farm value (1982-84=100)	103.0	95.6	107.1	106.1	102.5	104.6	103.8	103.3	105.8	105.8
Farm-retail spread (1982-84=100)	116.8	130.6	133.4	131.0	138.5	140.7	142.9	144.1	142.3	143.0
Farm value-retail cost (%)	24.5	21.2	22.8	23.0	21.4	21.5	21.1	20.9	21.5	21.4

	Annual			1990			1991			
	1988	1989	1990 P	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Beef, Choice										
Retail price 2/ (cts./lb.)	250.3	265.7	281.0	277.9	291.6	295.3	294.9	292.5	295.4	297.1
Wholesale value 3/ (cts.)	169.4	176.8	189.6	190.1	197.6	199.4	192.6	189.6	193.4	194.1
Net farm value 4/ (cts.)	148.3	157.6	168.4	170.8	174.7	174.7	170.2	171.1	175.5	175.3
Farm-retail spread (cts.)	102.0	108.1	112.6	107.1	116.9	120.6	124.7	121.4	119.9	121.8
Wholesale-retail 5/ (cts.)	80.9	88.9	91.4	87.8	94.0	95.9	102.3	102.9	102.0	103.0
Farm-wholesale 6/ (cts.)	21.1	19.2	21.2	19.3	22.9	24.7	22.4	18.5	17.9	18.8
Farm value-retail price (%)	59	59	60	61	60	59	58	58	59	59
Pork										
Retail price 2/ (cts./lb.)	183.4	182.9	212.6	200.9	222.9	223.2	216.1	215.5	213.9	211.7
Wholesale value 3/ (cts.)	101.0	99.2	118.3	114.8	119.7	117.5	109.7	110.1	110.8	109.7
Net farm value 4/ (cts.)	69.4	70.4	87.2	86.1	79.1	77.3	81.4	83.1	82.7	81.4
Farm-retail spread (cts.)	114.0	112.5	125.4	114.8	143.8	145.9	134.7	132.4	131.2	130.3
Wholesale-retail 5/ (cts.)	82.4	83.7	94.3	86.1	103.2	105.7	106.4	105.4	103.1	102.0
Farm-wholesale 6/ (cts.)	31.6	28.8	31.1	28.7	40.6	40.2	28.3	27.0	28.1	28.3
Farm value-retail price (%)	38	38	41	43	35	35	38	39	39	38

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, and in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0870, Larry Dueser (202) 219-0712.

Table 9.—Price Indexes of Food Marketing Costs

(See the June 1991 Issue.)

Information contact: Denis Dunham (202) 219-0870.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Produce- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
				Million pounds 4/			Pounds		
Beef									
1988	388	23,589	2,380	26,355	681	422	25,252	72.6	71.19
1989	422	23,087	2,179	25,688	1,023	335	24,330	69.3	73.86
1990	335	22,743	2,356	25,434	1,006	397	24,031	67.8	78.56
1991 F	397	23,092	2,280	25,769	1,040	315	24,414	68.2	77-81
Pork									
1988	360	15,884	1,136	17,180	195	437	16,548	52.5	43.39
1989	437	15,813	896	17,146	262	313	16,571	52.0	44.03
1990	313	15,354	898	16,565	239	296	16,030	49.8	54.45
1991 F	296	15,855	888	17,039	254	375	16,410	50.4	50-54
Veal 5/									
1988	4	396	27	427	10	5	412	1.4	89.85
1989	5	355	0	360	0	4	356	1.2	91.84
1990	4	327	0	331	0	6	325	1.1	96.51
1991 F	6	323	0	329	0	4	325	1.1	101-105
Lamb & mutton									
1988	8	335	51	394	1	6	387	1.4	68.28
1989	6	347	63	416	2	8	406	1.5	67.32
1990	8	363	59	430	3	8	419	1.5	55.54
1991 F	8	371	60	439	2	9	428	1.5	52-56
Total red meat									
1988	758	40,004	3,564	44,356	887	870	42,599	127.9	—
1989	870	39,602	3,138	43,610	1,287	660	41,663	124.0	—
1990	660	38,787	3,313	42,760	1,248	707	40,805	120.1	—
1991 F	707	39,641	3,228	43,576	1,296	703	41,577	121.2	—
Broilers									
1988	25	18,187	0	18,212	765	36	15,410	62.9	56.3
1989	36	17,424	0	17,460	814	38	16,808	67.1	59.0
1990	38	18,060	0	18,098	1,143	26	17,529	70.1	54.8
1991 F	26	19,614	0	19,640	1,060	30	18,551	73.5	50-54
Mature chicken									
1988	188	633	0	821	26	157	639	2.5	—
1989	157	568	0	725	24	189	511	2.1	—
1990	189	588	0	777	25	224	528	2.1	—
1991 F	224	572	0	796	25	224	548	2.2	—
Turkeys									
1988	266	3,960	0	4,226	51	250	3,926	18.0	61.2
1989	250	4,285	0	4,535	41	236	4,259	17.2	66.7
1990	236	4,734	0	4,970	54	306	4,810	18.4	63.2
1991 F	306	4,847	0	5,153	60	260	4,833	19.1	62-66
Total poultry									
1988	479	20,780	0	21,259	842	442	19,975	81.5	—
1989	442	22,278	0	22,720	878	483	21,378	86.4	—
1990	483	23,982	0	24,465	1,222	557	22,666	90.7	—
1991 F	557	25,033	0	25,590	1,144	514	23,932	94.8	—
Red meat & poultry									
1988	1,237	60,784	3,564	65,515	1,729	1,312	62,573	209.4	—
1989	1,312	61,880	3,138	66,330	2,165	1,123	63,042	210.4	—
1990	1,123	62,769	3,313	67,205	2,470	1,264	63,471	210.8	—
1991 F	1,264	64,674	3,228	69,166	2,440	1,217	65,509	216.0	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was .71 for 1987, & 70.5 for 1988-90.) 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium #1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, 7 markets; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 6-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. — = not available.

Information contacts: Polly Cochran, or Maxine Davis (202) 219-0767.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
Million dozen										
1986	10.7	5,766.3	13.7	5,790.7	101.8	566.8	10.4	5,111.9	254.9	71.1
1987	10.4	5,888.2	5.8	5,884.2	111.2	599.1	14.4	5,159.5	254.9	81.8
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	248.8	82.1
1989	15.2	5,597.8	25.2	5,638.2	91.8	642.9	10.7	4,893.0	237.3	81.9
1990	10.7	5,659.9	9.1	5,679.6	100.5	675.8	11.6	4,891.7	234.8	82.2
1991 F	11.6	5,676.8	2.6	5,691.0	120.8	719.2	12.0	4,839.0	230.0	75-81

* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219-0767.

Table 12.—U.S. Milk Supply & Use¹

	Pro- duc- tion	Farm use	Commercial		Im- ports	Total com- mercial supply	CCC net re- movals	Commercial		All milk price 2/
			Farm market- ings	Beg. stock				Ending stocks	Disap- pear- ance	
Billion pounds										
1984	135.4	2.9	132.4	5.2	2.7	140.4	8.6	4.9	126.8	13.46
1985	143.0	2.5	140.5	4.9	2.8	148.3	13.2	4.6	130.5	12.78
1986	143.1	2.4	140.7	4.6	2.7	148.1	10.6	4.2	133.3	12.51
1987	142.7	2.3	140.5	4.2	2.5	147.1	6.7	4.6	135.8	12.54
1988	145.2	2.2	142.9	4.6	2.4	149.9	9.4	4.3	139.6	12.26
1989	144.2	2.1	142.2	4.3	2.5	148.9	9.4	4.1	135.4	13.56
1990	148.3	2.1	146.2	4.1	2.7	153.0	9.0	5.1	138.9	13.77
1991 F	149.5	2.1	147.4	5.1	2.5	155.0	10.3	4.4	140.3	11.84

1/ Milkfat basis. Totals may not add because of rounding. 2/ Delivered to plants & dealers; does not reflect deductions. F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry & Eggs

	Annual			1990			1991			
	1988	1989	1990	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Broilers										
Federally inspected slaughter, certified (mil. lb.)	18,124.4	17,424.1	18,660.2	1,489.3	1,566.2	1,437.0	1,687.9	1,488.1	*1,516.4	1,687.2
Wholesale price, 12-city (cts./lb.)	56.3	59.0	54.8	55.3	48.0	49.8	51.7	50.8	51.4	52.0
Price of grower feed (\$/ton)	219	237	218.3	217	207	213	213	214	211	209
Broiler-feed price ratio 1/	3.1	3.0	3.0	3.0	2.7	2.7	2.9	2.8	2.9	2.9
Stocks beginning of period (mil. lb.)	24.8	35.9	36.3	29.3	26.9	27.7	26.1	22.7	27.3	30.5
Broiler-type chicks hatched (mil.) 2/	5,602.4	5,948.9	6,314.6	538.0	490.5	547.5	543.9	497.1	557.1	554.0
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	3,923.4	4,285.5	4,734.1	328.4	446.2	328.6	368.7	322.0	*330.1	377.0
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	61.2	66.7	63.2	59.8	73.7	66.1	53.5	55.8	59.1	60.3
Price of turkey grower feed (\$/ton)	243	251	238.4	236	235	238	234	237	235	237
Turkey-feed price ratio 1/	3.0	3.2	3.2	3.1	3.6	3.1	2.9	2.9	3.2	3.1
Stocks beginning of period (mil. lb.)	266.2	249.7	235.9	317.9	625.1	338.4	308.4	301.1	339.1	365.9
Poults placed in U.S. (mil.)	261.4	290.7	304.9	28.8	21.9	22.8	25.9	25.3	25.8	28.8
Eggs										
Farm production (mil.)	69,410	67,174	67,919	5,646	5,689	5,894	5,837	5,284	5,881	5,585
Average number of layers (mil.)	277	269	270	271	271	272	273	274	272	270
Rate of lay (eggs per layer on farms)	251	250	251.7	20.8	21.0	21.5	21.3	19.3	21.8	20.7
Cartoned price, New York, grade A large (cts./doz.) 3/	62.1	61.9	62.2	62.4	66.5	62.5	67.5	78.3	61.9	74.9
Price of laying feed (\$/ton)	203	209	202	185	200	199	198	199	199	195
Egg-feed price ratio 1/	5.3	6.7	6.9	7.3	7.3	7.7	8.0	6.8	8.1	6.7
Stocks, first of month										
Shell (mil. doz.)	1.29	0.27	0.36	0.69	0.33	0.48	0.45	0.51	0.27	0.42
Frozen (mil. doz.)	13.1	14.9	10.3	12.7	12.8	13.0	11.2	11.2	10.8	10.7
Replacement chicks hatched (mil.)	366	383	399.0	38.9	30.0	31.3	33.1	34.8	37.0	39.5

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers. * = Estimates.

Information contact: Maxine Davis (202) 219-0767.

Table 14.—Dairy

	Annual			1990			1991			
	1988	1989	1990	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Milk prices, Minnesota—Wisconsin, 3.5% fat (\$/cwt) 1/	11.03	12.37	12.21	12.32	10.25	10.19	10.18	10.04	10.02	10.04
Wholesale prices										
Butter, grade A Chl. (cts./lb.)	132.5	127.9	102.1	108.9	98.9	98.0	97.2	97.2	97.2	97.2
Am. cheese, Wla. assembly pt. (cts./lb.)	123.8	138.8	136.7	140.5	112.0	112.7	111.4	111.5	111.5	111.7
Nonfat dry milk (cts./lb.) 2/	80.2	105.5	100.6	104.3	86.8	88.2	85.2	85.1	85.1	85.4
USDA net removals										
Total milk equiv. (mil. lb.) 3/	9,070.1	9,357.0	8,951.2	1,022.7	285.5	831.9	1,843.6	1,859.8	1,284.3	1,685.4
Butter (mil. lb.)	312.6	413.4	400.3	48.9	10.8	30.5	77.5	68.1	52.0	70.4
Am. cheese (mil. lb.)	238.1	37.4	21.5	0	4.5	17.0	15.5	18.0	13.0	15.1
Nonfat dry milk (mil. lb.)	267.6	0	117.8	0	34.1	42.8	55.4	44.2	42.5	48.4
Milk										
Milk prod. 21 States (mil. lb.)	123,518	122,508	125,714	10,818	9,998	10,467	10,663	9,948	11,097	10,909
Milk per cow (lb.)	14,291	14,369	14,768	1,273	1,171	1,225	1,253	1,172	1,311	1,294
Number of milk cows (1,000)	8,643	8,526	8,513	8,497	8,540	8,547	8,510	8,487	8,484	8,428
U.S. milk production (mil. lb.)	145,152	144,239	148,284	12,744	11,821	12,377	12,596	11,752	13,115	12,853
Stock, beginning										
Total (mil. lb.)	7,473	8,379	9,038	11,289	13,258	13,028	13,359	14,758	15,730	16,765
Commercial (mil. lb.)	4,598	4,266	4,120	4,999	5,082	5,033	5,146	7,413	5,802	5,969
Government (mil. lb.)	2,877	4,122	4,918	6,291	8,176	7,993	8,213	8,925	9,928	10,796
Imports, total (mil. lb.) 3/	2,394	2,499	2,690	253	262	208	164	142	155	—
Commercial disappearance (mil. lb.)	136,674	135,440	138,949	11,663	11,679	11,466	10,055	10,107	11,665	—
Butter										
Production (mil. lb.)	1,207.5	1,295.4	1,302.2	119.2	110.1	121.2	142.1	126.3	131.8	133.7
Stocks, beginning (mil. lb.)	143.2	214.7	256.2	335.4	413.8	407.6	416.1	470.8	524.8	555.9
Commercial disappearance (mil. lb.)	909.8	878.0	915.2	74.9	97.0	90.2	37.8	51.6	85.1	—
American cheese										
Production (mil. lb.)	2,756.8	2,674.1	2,890.8	252.0	233.8	248.2	247.1	222.4	250.0	236.9
Stocks, beginning (mil. lb.)	370.4	293.0	236.2	292.7	338.7	334.8	347.4	381.6	343.6	381.4
Commercial disappearance (mil. lb.)	2,570.0	2,683.1	2,781.6	243.5	236.2	225.7	230.3	222.0	206.7	—
Other cheese										
Production (mil. lb.)	2,815.4	2,941.3	3,170.4	269.1	261.8	273.9	254.6	235.6	271.3	283.8
Stocks, beginning (mil. lb.)	89.7	104.7	93.2	104.0	107.1	102.9	110.6	113.0	107.5	106.2
Commercial disappearance (mil. lb.)	3,034.5	3,208.9	3,429.8	282.6	294.7	288.8	266.0	254.7	288.3	—
Nonfat dry milk										
Production (mil. lb.)	979.7	874.7	876.8	84.3	68.7	81.2	82.6	77.9	87.6	95.1
Stocks, beginning (mil. lb.)	177.2	53.1	49.5	61.8	129.2	143.6	181.9	188.4	207.1	255.8
Commercial disappearance (mil. lb.)	734.3	873.0	895.0	81.2	34.9	38.7	35.8	44.4	51.8	—
Frozen dessert										
Production (mil. gal.) 4/	1,248.0	1,214.0	1,182.9	101.7	76.6	72.9	78.9	82.3	99.3	103.5

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Milk equivalent, fat basis. 4/ Hard ice cream, ice milk, & hard sherbet. 5/ Based on average milk price after adjustment for price support deductions. 6/ Estimated. P = Preliminary. — = not available.

Information contact: LaVerne T. Williams (202) 219-0770.

Table 15.—Wool

	Annual			1989			1990			1991
	1988	1989	1990	IV	I	II	III	IV	P	I
U.S. wool price, (cts./lb.) 1/	438	370	256	328	289	272	238	227	197	
Imported wool price, (cts./lb.) 2/	372	354	287	316	327	312	281	270	235	
U.S. mill consumption, scoured 3/										
Apparel wool (1,000 lb.)	117,069	120,534	120,622	26,805	31,511	31,726	26,888	30,497	32,338	
Carpet wool (1,000 lb.)	15,633	14,122	12,124	2,984	3,911	2,950	3,125	2,138	3,088	

1/ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.80–22.04 microns) staple 2–3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis. Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. 3/ Beginning 1990 mill consumption reported only on a quarterly basis. — = not available.

Information contact: John Lawler (202) 219-0840.

Table 16.—Meat Animals

	Annual			1990			1991			
	1988	1989	1990	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,411	8,045	8,378	8,483	8,728	9,129	9,137	9,103	8,974	9,058
Placed on feed (1,000 head)	20,854	20,834	21,215	1,377	2,007	1,478	1,791	1,465	1,773	1,482
Marketings (1,000 head)	19,918	19,422	19,238	1,554	1,512	1,349	1,707	1,481	1,554	1,715
Other disappearance (1,000 head)	1,202	1,079	1,218	125	95	421	118	113	137	128
Beef steer—corn price ratio.										
Omaha 2/	31.5	30.3	32.8	31.1	37.3	38.5	35.3	34.3	34.0	32.8
Hog—corn price ratio, Omaha 2/	19.8	18.4	23.1	21.2	23.2	22.0	23.0	22.8	21.8	20.8
Market prices (\$/cwt)										
Slaughter cattle										
Choice steers, Omaha 1,000–1,100 lb.	69.54	72.52	77.40	79.36	79.93	80.88	78.95	78.83	80.76	80.77
Choice steers, Neb. Direct, 1,100–1,300 lb.	71.19	73.88	78.58	79.89	81.06	81.42	79.35	79.90	81.23	81.28
Boning utility cows, Sioux Falls	47.21	48.98	53.60	55.94	48.75	50.35	49.41	51.49	52.06	52.13
Feeder cattle										
Medium no. 1, Oklahoma City 600–700 lb.	84.72	88.08	92.15	91.13	93.56	95.67	94.21	95.53	96.38	98.52
Slaughter hogs										
Barrows & gilts, 7—markets	43.39	44.03	54.45	54.11	49.70	48.15	51.00	51.93	51.57	51.01
Feeder pigs										
S. Mo. 40–50 lb. (per head)	36.06	33.63	51.46	63.47	46.22	49.63	48.50	57.47	63.63	60.97
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	68.28	67.32	55.54	54.75	50.42	48.08	47.63	45.81	54.88	55.50
Ewes, Good, San Angelo	38.88	38.58	35.21	36.50	33.83	34.67	31.94	30.38	34.88	35.50
Feeder lambs										
Choice, San Angelo	90.89	79.85	62.95	71.31	57.83	59.17	50.63	49.06	59.25	58.83
Wholesale meat prices, Midwest										
Boxed beef cut-out value*	110.50	114.78	123.21	123.82	128.32	129.48	125.04	123.24	125.45	125.98
Canner & cutter cow beef	87.77	94.43	99.96	100.81	91.11	97.32	95.87	100.50	103.43	101.93
Pork loins, 14–18 lb. 3/	97.49	101.09	117.52	120.68	98.94	103.50	107.53	109.13	110.33	104.81
Pork bellies, 12–14 lb.	41.25	34.14	53.80	52.60	80.87	86.58	84.11	57.20	58.52	57.25
Hams, skinned, 14–17 lb.	71.03	69.39	87.70	77.33	108.00	86.13	73.00	83.17	81.42	75.00
All fresh beef retail price 4/	224.81	238.97	254.99	252.88	283.40	265.75	261.30	261.57	261.39	285.15
Commercial slaughter (1,000 head)**										
Cattle	35,079	33,917	33,242	2,819	2,701	2,453	2,881	2,469	2,510	2,741
Steers	17,346	18,539	16,587	1,350	1,302	1,227	1,418	1,220	1,249	1,439
Heifers	10,753	10,408	10,090	770	787	695	858	741	741	790
Cows	6,338	6,318	5,820	449	559	488	557	481	472	460
Bulls & stags	644	657	644	60	53	45	50	47	48	52
Calves	2,506	2,172	1,789	131	153	140	154	125	123	109
Sheep & lambs	5,293	5,465	5,654	487	481	465	508	461	585	457
Hogs	87,795	88,691	85,135	5,961	7,532	7,355	7,652	5,837	7,218	7,495
Commercial production (mil. lb.)										
Beef	23,424	22,974	22,634	1,748	1,842	1,681	1,988	1,694	1,721	1,872
Veal	387	344	316	22	28	27	31	28	25	23
Lamb & mutton	329	341	357	31	30	30	33	30	36	29
Pork	15,923	15,759	15,299	1,248	1,373	1,342	1,396	2,954	1,301	1,361

	Annual			1989	1990				1991	
	1988	1989	1990		I	II	III	IV	I	II
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,114	9,688	9,943	8,276	9,943	10,063	8,761	9,092	10,977	10,869
Placed on feed (1,000 head)	24,423	24,469	24,948	7,306	8,083	5,088	8,333	7,488	5,892	—
Marketings (1,000 head)	23,459	22,940	22,561	5,346	5,578	5,988	5,741	5,254	5,538	6/ 6,375
Other disappearance (1,000 head)	1,390	1,274	1,393	293	385	400	261	347	462	—
Hogs & pigs (10 States) 5/										
Inventory (1,000 head) 1/	42,675	43,210	42,200	45,050	42,200	40,190	42,630	44,120	42,800	41,590
Breeding (1,000 head) 1/	5,435	5,335	5,275	5,320	5,275	5,245	5,405	5,300	5,242	5,340
Market (1,000 head) 1/	37,240	37,875	36,925	39,730	36,925	34,945	37,225	38,820	37,558	36,250
Farrowings (1,000 head)	9,370	9,203	8,955	2,195	2,028	2,458	2,236	2,233	2,089	6/ 2,500
Pig crop (1,000 head)	72,268	71,807	70,549	16,929	15,870	19,578	17,684	17,419	16,455	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8–14 lb.; 1984 & 1985, 14–17 lb.; beginning 1986, 14–18 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Quarters are Dec. of preceding year—Feb. (I), Mar.—May (II), June—Aug. (III), & Sept.—Nov. (IV). 6/ Intentions.

* Classes estimated. May not add to NASS totals due to rounding. NQ = not quote. — = not available.

Note: *This series replaces the Choice steer beef price, 600–700 lb., which was discontinued with the June number. The new number is the value of Choice beef from a yield grade 1–3, 550–700 lb. carcass.

Information contact: Polly Cochran (202) 219–0767.

Crops & Products

Table 17.—Supply & Utilization^{1,2}

	Area				Production	Total supply ^{4/}	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ^{5/}
	Set aside ^{3/}	Planted	Harvested	Yield								
	Mil. acres		Bu./acre									\$/bu.
Wheat												
1986/87	21.0	72.1	80.7	34.4	2,091	4,017	401	796	999	2,198	1,821	2.42
1987/88	23.9	65.8	68.0	37.7	2,108	3,945	280	806	1,598	2,634	1,261	2.67
1988/89	22.6	65.6	63.2	34.1	1,812	3,096	157	818	1,419	2,394	702	3.72
1989/90*	9.6	78.6	62.1	32.7	2,037	2,762	160	832	1,233	2,226	536	3.72
1990/91*	7.1	77.3	69.4	39.6	2,739	3,310	500	879	1,075	2,454	859	2.61
1991/92*	—	—	—	—	2,024	2,916	276	910	1,100	2,286	630	2.80-3.20
Rice												
	Mil. acres		Lb./acre					Mil. cwt (rough equiv.)				\$/cwt
1986/87	1.48	2.38	2.38	5,651	133.4	213.3	—	8/ 77.7	84.2	161.9	51.4	3.75
1987/88	1.67	2.36	2.33	5,855	129.6	184.0	—	8/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.0	—	8/ 82.3	85.9	168.2	26.7	6.83
1989/90*	1.21	2.73	2.69	5,749	154.6	185.4	—	8/ 82.4	76.8	159.2	26.3	7.35
1990/91*	1.03	2.89	2.81	5,607	154.9	186.0	—	8/ 86.8	73.0	161.8	24.2	6.50-7.00
1991/92*	—	—	—	—	154.0	183.7	—	8/ 93.0	70.0	163.0	20.7	6.25-6.26
Corn												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	14.3	76.7	68.9	119.4	8,226	12,267	4,701	1,192	1,492	7,325	4,882	1.50
1987/88	23.1	65.2	59.5	119.8	7,131	12,016	4,812	1,229	1,716	7,767	4,269	1.94
1988/89	26.6	67.7	58.3	84.6	4,929	9,191	3,987	1,248	2,028	7,260	1,930	2.64
1989/90*	19.8	72.3	64.8	118.2	7,525	9,456	4,456	1,290	2,367	8,113	1,344	2.36
1990/91*	10.1	74.2	67.0	118.5	7,933	9,280	4,850	1,330	1,700	7,880	1,400	2.25-2.36
1991/92*	—	—	—	—	8,275	9,677	4,950	1,360	1,760	8,090	1,617	1.95-2.35
Sorghum												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	3.0	16.3	13.9	87.7	938	1,489	535	12	198	748	743	1.37
1987/88	4.1	11.8	10.5	69.4	731	1,474	555	25	231	811	663	1.70
1988/89	3.9	10.3	9.0	63.8	677	1,239	468	22	310	800	440	2.27
1989/90*	3.3	12.6	11.2	65.4	615	1,055	617	16	304	835	220	2.10
1990/91*	3.0	10.7	9.1	62.9	671	791	450	13	220	673	108	2.05-2.15
1991/92*	—	—	—	—	640	758	480	16	210	635	113	1.80-2.20
Barley												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	2.1	13.1	12.0	50.8	611	944	298	174	137	608	336	1.81
1987/88	2.9	11.0	9.9	52.4	521	869	254	174	120	548	321	1.81
1988/89	2.8	9.8	7.6	38.0	290	622	166	180	79	425	196	2.80
1989/90*	2.3	9.2	8.3	48.6	404	614	190	179	84	453	161	2.42
1990/91*	2.0	8.3	7.6	65.9	419	690	200	178	85	463	127	2.13
1991/92*	—	—	—	—	426	602	176	175	85	435	127	1.80-2.20
Oats												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	0.6	14.7	6.9	68.3	386	603	395	73	3	471	133	1.21
1987/88	0.8	18.0	6.9	64.0	374	552	358	81	1	440	112	1.69
1988/89	0.3	13.8	6.5	39.3	218	393	194	100	1	294	96	2.61
1989/90*	0.4	12.1	6.9	64.3	374	538	265	115	1	380	167	1.49
1990/91*	0.2	10.4	6.9	60.1	357	579	300	120	1	421	159	1.13
1991/92*	—	—	—	—	300	529	275	125	1	401	128	1.00-1.40
Soybeans												
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
1986/87	0	60.4	58.3	33.3	1,940	2,476	0	1,179	767	2,040	436	4.78
1987/88	0	58.2	57.2	33.9	1,938	2,374	0	1,174	802	2,072	302	5.88
1988/89	0	68.8	57.4	27.0	1,549	1,855	0	1,058	627	1,673	182	7.42
1989/90*	0	60.6	59.5	32.3	1,924	2,109	0	1,146	623	1,870	239	6.70
1990/91*	0	57.8	56.5	34.0	1,922	2,163	0	1,170	640	1,808	355	6.75
1991/92*	—	—	—	—	1,875	2,235	0	1,190	600	1,886	350	4.75-6.25
Soybean oil												
	—		—					Mil. lbs.				7/ Cts./lb.
1986/87	—	—	—	—	12,783	13,745	—	10,833	1,167	12,020	1,725	15.40
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,082	22.65
1988/89	—	—	—	—	11,737	13,667	—	10,591	1,661	12,252	1,715	21.10
1989/90*	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91*	—	—	—	—	13,075	14,400	—	12,100	700	12,800	1,600	21.60
1991/92*	—	—	—	—	13,225	14,835	—	12,200	900	13,100	1,735	17.0-21.0
Soybean meal												
	—		—					1,000 tons				\$/ton
1986/87	—	—	—	—	27,758	27,970	—	20,387	7,343	27,730	240	163
1987/88	—	—	—	—	28,060	28,300	—	21,293	6,854	28,147	153	222
1988/89	—	—	—	—	24,943	25,100	—	19,639	5,288	24,927	173	233
1989/90*	—	—	—	—	27,719	27,900	—	22,558	6,024	27,582	318	174
1990/91*	—	—	—	—	27,757	28,065	—	22,700	6,000	27,700	395	165
1991/92*	—	—	—	—	28,195	28,865	—	23,000	6,250	28,250	345	145-185

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 6/
	Set Aside 3/	Planted	Harvested									
	Mil. acres			Lb./acre		Mil. bales						
Cotton 9/												
1986/87	4.2	10.0	8.6	552	9.7	19.1	—	7.4	6.7	14.1	5.0	52.40
1987/88	3.9	10.4	10.0	706	14.8	19.8	—	7.6	6.6	14.2	5.8	54.30
1988/89	2.2	12.5	12.0	619	15.4	21.2	—	7.8	6.2	13.9	7.1	56.00
1989/90*	3.5	10.8	9.5	614	12.2	19.3	—	8.8	7.7	16.4	3.0	55.20
1990/91*	1.9	12.4	11.7	640	15.5	18.5	—	8.8	7.9	16.4	2.2	57.80
1991/92*	—	—	—	—	16.0	18.2	—	8.5	7.0	15.5	2.2	10/

* June 11, 1991 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soybean meal & soybean oil. 2/ Conversion factors: Hectares (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 58.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, PIR, acreage reduction, 50-92, & 0-92 programs. 4/ Includes imports. 5/ Market average prices do not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Average of crude soybean oil, Decatur. 8/ Average of 44 percent, Decatur. 9/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 10/ USDA is prohibited from publishing cotton price projections. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Food Grains

	Marketing year 1/				1990		1991			
	1986/87	1987/88	1988/89	1989/90	Apr	Dec	Jan	Feb	Mar	Apr
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.72	2.98	4.17	4.22	4.13	2.78	2.71	2.77	2.94	2.98
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.07	3.15	4.38	4.16	4.08	2.82	2.83	2.85	3.00	3.07
Rice, S.W. La. (\$/cwt) 4/	10.25	19.25	14.85	15.55	15.55	14.00	14.15	15.45	15.75	16.25
Wheat										
Exports (mil. bu.)	1,004	1,592	1,424	1,233	91	61	69	95	119	—
Mill grind (mil. bu.)	755	753	769	781	82	64	67	66	81	—
Wheat flour production (mil. cwt)	335	336	345	351	27	29	30	29	25	—
Rice										
Exports (mil. cwt, rough equiv.)	84.2	72.2	85.9	76.8	6.8	9.4	5.4	7.3	6.4	—

	Marketing year 1/				1989		1990				1991
	1987/88	1988/89	1989/90	June-Aug	Sept-Nov	Dec-Feb	Mar-May	June-Aug	Sept-Nov	Dec-Feb	
Wheat											
Stocks, beginning (mil. bu.)	1,821	1,261	702	701.8	1,917.2	1,423.7	943.1	536.5	2,409.5	1,908.0	
Domestic use											
Food (mil. bu.)	721	726	753	190.7	191.6	185.7	185.0	196.4	211.2	192.7	
Seed, feed & residual (mil. bu.) 5/	385	249	239	295.5	17.5	38.9	47.6	409.0	25.7	102.0	
Exports (mil. bu.)	1,508	1,419	1,233	399.9	328.6	259.7	275.2	268.1	278.0	225.5	

1/ Beginning June 1 for wheat & August 1 for rice. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Residual includes feed use. — = not available.

Information contacts: Ed Allen & Janet Livezey (202) 219-0840.

Table 19.—Cotton

	Marketing year 1/				1990		1991			
	1986/87	1987/88	1988/89	1989/90	Apr	Dec	Jan	Feb	Mar	Apr
U.S. price, SLM, 1-1/16 in. (cts./lb.) 2/	53.2	53.1	57.7	69.8	71.3	69.9	70.5	77.7	77.9	79.9
Northern Europe prices Index (cts./lb.) 3/	82.0	72.7	66.4	82.3	83.0	83.6	83.4	85.2	83.7	83.2
U.S. M 1-3/32 in. (cts./lb.) 4/	61.8	76.3	69.2	83.6	84.6	84.0	85.5	93.8	94.7	96.8
U.S. mill consumpt. (1,000 bales)	7,452	7,617	7,782	8,759	711	490	693	715	723	—
Exports (1,000 bales)	6,684	6,582	6,148	7,694	734	769	994	1,007	1,064	—
Stocks, beginning (1,000 bales)	9,348	5,026	6,771	7,092	8,010	10,680	11,555	—	—	6,918

1/ Beginning August 1. 2/ Average spot market. 3/ Liverpool Cotton (A) index; average of five lowest prices of 11 selected growths. 4/ Memphis territory growths. — = not available.

Information contact: Bob Skinner (202) 219-0840.

Table 20.—Feed Grains

	Marketing year 1/				1990		1991			
	1986/87	1987/88	1988/89	1989/90	Apr	Dec	Jan	Feb	Mar	Apr
Wholesale prices										
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	1.94	2.14	2.68	2.53	2.72	2.33	2.39	2.44	2.52	2.59
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	2.73	3.40	4.16	4.18	4.32	3.97	4.12	4.21	4.35	4.34
Barley, feed, Duluth (\$/bu.) 2/	1.44	1.78	2.31	2.20	2.27	2.07	2.09	2.15	2.14	2.12
Barley, malting, Minneapolis (\$/bu.)	1.89	2.04	4.11	3.20	2.97	2.31	2.33	2.38	2.46	2.48
Exports 3/										
Corn (mil. bu.)	1,504	1,723	2,028	2,387	194	142	144	183	188	144
Feed grains (mil. metric tons) 4/	46.3	52.3	61.3	69.9	5.7	4.3	4.2	5.3	5.9	4.5
	Marketing year 1/				1990				1991	
	1986/87	1987/88	1988/89	1989/90	Dec-Feb	Mar-May	June-Aug	Sept-Nov	Dec-Feb	Mar-May
Corn										
Stocks, beginning (mil. bu.)	4,040	4,882	4,259	1,930	7,082	4,812	2,843	1,345	6,940	4,789
Domestic use										
Feed (mil. bu.)	4,714	4,805	3,979	4,458	1,291	1,014	656	1,651	1,378	1,075
Food, seed, ind. (mil. bu.)	1,192	1,229	1,245	1,271	297	338	338	305	305	368
Exports (mil. bu.)	1,504	1,723	2,038	2,387	682	601	502	383	471	485
Total use (mil. bu.)	7,410	7,757	7,260	8,114	2,270	1,970	1,496	2,338	2,152	1,908

1/ September 1 for corn & sorghum; June 1 for oats & barley. 2/ Beginning March 1987 reporting point changed from Minneapolis to Duluth. 3/ Includes products. 4/ Aggregated data for corn, sorghum, oats, & barley. — = not available.

Information contact: James Cole (202) 219-0840.

Table 21.—Fats & Oils

	Marketing year *				1990				1991
	1985/86	1986/87	1987/88	1988/89	Sept	Oct	Nov	Dec	Jan-Mar
Soybeans									
Wholesale price, no. 1 yellow, Chicago (\$/bu.)	5.20	5.03	6.67	7.41	6.19	6.09	5.72	5.78	5.70
Crushings (mil. bu.)	1,052.8	1,178.8	1,174.5	1,057.7	92.1	106.1	106.0	102.7	297.8
Exports (mil. bu.)	740.7	758.9	801.6	530.6	27.9	29.8	62.8	55.8	192.2
Stocks, beginning (mil. bu.)	316.0	536.4	436.4	302.5	45.2	34.5	130.1	130.7	106.5
Soybean oil									
Wholesale price, crude, Decatur (cts./lb.)	18.02	15.36	22.67	21.09	24.5	22.6	21.1	21.6	21.8
Production (mil. lb.)	11,617.3	12,783.1	12,974.5	11,737.0	1,038.1	1,188.1	1,168.0	1,138.0	3,329.3
Domestic disp. (mil. lb.)	10,045.9	10,820.2	10,734.1	10,455.6	795.1	1,211.3	956.6	982.1	2,849.7
Exports (mil. lb.)	1,257.3	1,184.5	1,873.2	1,658.2	298.9	85.4	107.2	12.1	21.1
Stocks, beginning (mil. lb.)	632.5	946.6	1,725.0	2,092.2	1,380.2	1,324.6	1,215.9	1,320.1	1,463.8
Soybean meal									
Wholesale price, 44% protein, Decatur (\$/ton)	154.88	182.61	221.90	233.46	176.90	172.50	163.00	164.80	161.4
Production (1,000 ton)	24,951.3	27,758.8	28,080.2	24,942.7	2,187.3	2,508.5	2,513.2	2,431.5	7,097.3
Domestic disp. (1,000 ton)	19,117.2	20,387.4	21,275.9	19,792.5	1,855.8	2,246.9	1,989.9	1,870.3	5,489.0
Exports (1,000 ton)	6,009.3	7,343.0	6,871.0	5,130.8	245.3	289.2	500.7	418.7	1,556.4
Stocks, beginning (1,000 ton)	386.9	211.7	240.2	153.5	232.0	318.3	290.9	313.6	455.8
Margarine, wholesale price, Chicago, white (cts./lb.)									
	51.2	40.3	40.3	52.3	61.9	61.7	61.5	62.9	63.2

* Beginning September 1 for soybeans; October 1 for soybean meal & oil; calendar year for margarine.

Note: Census data on which this table is based are now being reported quarterly.

Information contacts: Roger Hoskin (202) 219-0840, Tom Bickerton (202) 219-0824.

Table 22.—Farm Programs, Price Supports, Participation & Payment Rates

	Payment rates						Base acres 1/	Program 2/	Partici- pation rate 3/
	Target price	Loan rate	Findley loan rate	Deficiency	Paid land diversion	PIK			
			\$/bu.			Percent 4/	Mil. acres		Percent of base
Wheat									
1985/86	4.38	3.30	—	1.08	2.70	—	94.0	20/10/0	73
1986/87 5/	4.38	3.00	2.40	1.98	2.00	1.10	91.8	22.5/2.5/5-10	85/85/21
1987/88	4.38	2.85	2.28	1.81	—	—	87.6	27.5/0/0	88
1988/89	4.23	2.78	2.21	0.89	—	—	84.8	27.5/0/0	88
1989/90	4.10	2.58	2.08	7/ 0.32	—	—	82.3	10/0/0	78
1990/91	4.00	2.44	1.95	1.00	—	—	80.5	* 6/0/0	80
1991/92	4.00	2.55	2.04	1.47	—	—	79.4	15/0/0; 0/92	84
Rice									
1985/86	11.90	8.00	5/ 3.18	3.90	3.50	—	4.2	20/15/0	90
1986/87 5/	11.90	7.20	5/ 3.82	4.70	—	—	4.2	35/0/0	94
1987/88	11.66	6.84	5/ 5.77	4.82	—	—	4.1	35/0/0	96
1988/89	11.15	6.63	5/ 6.90	4.31	—	—	4.1	25/0/0	94
1989/90	10.80	6.50	5/ 6.50	3.56	—	—	4.1	25/0/0	95
1990/91	10.71	6.50	—	3.71	—	—	4.2	20/0/0	92
1991/92	10.71	6.50	—	3.76	—	—	4.2	5/0/0; 50/92	91
Corn									
1985/86	3.03	2.55	—	0.48	—	—	84.2	10/0/0	86
1986/87 5/	3.03	2.40	1.92	1.11	—	—	81.7	17 5/2.5/0	88
1987/88	3.03	2.28	1.82	1.09	2.00	—	81.5	20/15/0	90
1988/89	2.93	2.21	1.77	7/ 0.38	1.75	—	82.9	20/10/0; 0/92	87
1989/90	2.84	2.08	1.65	7/ 0.58	—	—	82.7	10/0/0; 0/92	80
1990/91	2.75	1.98	1.57	0.15	—	—	82.7	10/0/0; 0/92	78
1991/92	2.75	2.02	1.62	0.58	—	—	83.0	7.5/0/0; 0/92	76
Sorghum									
1985/86	2.88	2.42	—	0.46	—	—	19.3	8/ (same)	55
1986/87 5/	2.88	2.28	1.82	1.06	0.65	—	19.0	—	75
1987/88	2.88	2.17	1.74	0.82	1.90	—	17.4	—	84
1988/89	2.78	2.10	1.65	0.48	1.65	—	16.8	—	82
1989/90	2.70	1.98	1.57	7/ 0.66	—	—	16.2	—	71
1990/91	2.61	1.88	1.49	0.21	—	—	15.4	—	75
1991/92	2.61	1.93	1.54	0.58	—	—	13.5	—	76
Barley									
1985/86	2.60	2.08	—	0.52	—	—	13.3	8/ (same)	57
1986/87 5/	2.60	1.95	1.56	0.99	0.57	—	12.4	—	72
1987/88	2.60	1.86	1.49	0.52	1.60	—	12.5	—	84
1988/89	2.51	1.80	1.44	1.04	1.40	—	12.5	—	79
1989/90	2.43	1.68	1.34	7/ 0.23	—	—	12.4	—	69
1990/91	2.38	1.60	1.28	0.28	—	—	11.9	—	68
1991/92	2.38	1.65	1.32	0.47	—	—	11.5	—	75
Oats									
1985/86	1.60	1.31	—	0.29	—	—	9.4	8/ (same)	14
1986/87 5/	1.60	1.23	0.99	0.39	0.38	—	9.2	—	37
1987/88	1.60	1.17	0.94	0.20	0.80	—	8.4	—	45
1988/89	1.55	1.13	0.90	0.30	—	—	7.9	5/0/0; 0/92	30
1989/90	1.50	1.06	0.85	0.00	—	—	7.8	5/0/0; 0/92	23
1990/91	1.45	1.01	0.81	0.00	—	—	7.5	5/0/0; 0/92	10
1991/92	1.45	1.04	0.83	0.15	—	—	7.3	0/0/0; 0/92	38
Soybeans 9/									
1985/86	—	5.02	—	—	—	—	—	—	—
1986/87 5/	—	4.77	—	—	—	—	—	—	—
1987/88	—	4.77	—	—	—	—	—	—	—
1988/89	—	4.77	—	—	—	—	—	—	—
1989/90	—	4.53	—	—	—	—	—	10/ 10/25	—
1990/91	—	4.50	—	—	—	—	—	10/ 0/25	—
1991/92	—	5.02	—	—	—	—	—	10/ 0/25	—
Cts./lb.									
Upland cotton									
1985/86	81.0	57.30	—	23.70	30.00	—	15.9	20/10/0	82/0/0
1986/87 5/	81.0	55.00	11/ 44.00	26.00	—	—	15.5	25/0/0	93
1987/88	79.4	52.25	12/ —	17.3	—	—	14.5	25/0/0	93
1988/89	75.9	51.80	12/ —	19.4	—	—	14.5	12.5/0/0	89
1989/90	73.4	50.00	12/ —	13.1	—	—	14.6	25/0/0	89
1990/91	72.9	50.27	12/ —	6.3	—	—	14.5	12.5/0/0	86
1991/92	72.9	50.77	12/ —	10.0	—	—	14.6	5/0/0; 50/92	84

1/ Includes planted area plus acres considered planted (ARP, PLD, 0-92 etc). Net of CRP. 2/ Percentage of base acres that farmers participating in Acreage Reduction Programs/Paid Land Diversion/PIK were required to devote to conserving uses to receive program benefits. 3/ Percentage of base acres enrolled in Acreage Reduction Programs/Paid Land Diversion/PIK. 4/ Percent of program yield, except 1986/87 wheat, which is dollars per bushel. 1984 PIK rates apply only to the 10-20 portion. 5/ Rates for payments received in cash were reduced by 4.3 percent in 1986/87 due to Gramm-Rudman-Hollings. 6/ Annual average world market price. 7/ Guaranteed to farmers signed up for 0/92. 8/ The sorghum, oats, & barley programs were the same as for corn in each year except 1988-90, when the oats ARP was lower than for the other feed grains. 9/ There are no target prices, acreage programs, or payment rates for soybeans. 10/ Soybean program data refer to percent of program crop base permitted to shift into beans without loss of base. 11/ Loan repayment rate. 12/ Loans may be repaid at the lower of the loan rate or world market prices. *On September 13, the Secretary announced that participating farmers have the option of planting up to 105 percent of their wheat base to boost 1990 supplies. For every acre planted in excess of 95 percent of base, the acreage used to compute deficiency payments will be cut by 1 acre. — = not available.

Information contact: James Cole (202) 219-0840.

Table 23.—Fruit

	1982	1983	1984	1985	1986	1987	1988	1989	1990 P
Citrus 1/									
Production (1,000 ton)	12,139	13,682	10,832	10,525	11,058	11,993	12,781	13,188	10,899
Per capita consumpt. (lbs.) 2/	24.7	29.4	24.0	22.6	26.0	25.7	27.1	24.4	—
Noncitrus 3/									
Production (1,000 tons)	14,658	14,168	14,301	14,191	13,874	16,011	15,303	15,763	14,629
Per capita consumpt. (lbs.) 2/	82.7	63.6	67.6	66.5	69.6	75.1	71.9	72.2	—
	1990				1991				
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
F.o.b. shipping point prices									
Apples (\$/carton) 4/	19.88	11.95	12.18	13.00	13.08	14.06	14.00	14.00	14.00
Pears (\$/box) 5/	—	—	—	12.56	13.00	14.00	13.85	13.48	13.74
Grower prices									
Oranges (\$/box) 6/	5.07	5.31	4.48	6.31	6.18	6.62	5.98	7.41	7.37
Grapefruit (\$/box) 6/	6.44	7.22	6.51	5.53	5.63	5.66	4.50	5.43	5.10
Stocks, ending									
Fresh apples (mil. lbs.)	8.8	3,005	4,590.0	4,003.7	3,378.3	2,694.8	2,100.7	1,569.8	1,080.9
Fresh pears (mil. lbs.)	199.8	578.0	449.6	322.6	266.2	191.1	145.4	95.0	50.8
Frozen fruits (mil. lbs.)	859.5	864.5	912.7	864.5	838.0	760.7	679.6	635.2	566.7
Frozen orange juice (mil. lbs.)	808.4	797.1	802.0	871.3	1,031.6	1,195.8	1,199.6	1,236.7	1,367.6

1/ 1990 indicated 1989/90 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynne Napper (202) 219-0884.

Table 24.—Vegetables

	Calendar year									
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Production										
Total vegetables (1,000 cwt)	392,343	430,795	403,509	456,334	453,030	448,629	478,381	498,779	542,437	561,768
Fresh (1,000 cwt) 1/ 3/	183,456	193,451	185,782	201,817	203,549	203,185	220,539	228,397	239,281	239,114
Processed (tons) 2/ 3/	10,444,330	11,867,170	10,886,350	12,725,880	12,474,040	12,273,200	12,692,100	12,019,110	15,157,790	16,132,660
Mushrooms (1,000 lbs.)	617,146	490,828	561,531	595,681	567,956	614,393	631,819	667,759	715,019	—
Potatoes (1,000 cwt)	340,623	355,131	333,726	362,039	406,809	361,743	389,320	356,438	370,444	393,867
Sweetpotatoes (1,000 cwt)	12,799	14,833	12,083	12,902	14,573	12,368	11,811	10,945	11,358	13,020
Dry edible beans (1,000 cwt)	32,751	25,563	15,520	21,070	22,175	22,886	26,031	19,253	23,729	32,429
	1990				1991					
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Shipments										
Fresh (1,000 cwt) 4/	21,826	22,032	14,896	20,451	17,623	17,112	23,352	19,405	19,216	20,861
Potatoes (1,000 cwt)	8,255	10,029	8,959	11,947	11,405	10,434	14,681	11,322	12,337	14,497
Sweetpotatoes (1,000 cwt)	109	101	302	562	928	545	399	400	488	283

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, & watermelons. — = not available.

Information contacts: Gary Lucier or Cathy Greene (202) 219-0884.

Table 25.—Other Commodities

	Annual					1990				1991
	1986	1987	1988	1989	1990	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
Sugar										
Production 1/	6,257	7,309	7,087	8,840	8,319	1,676	572	852	3,419	2,206
Deliveries 1/	7,786	8,167	8,188	8,309	8,633	1,976	2,056	2,316	2,315	2,019
Stocks, ending 1/	3,226	3,195	3,132	2,946	2,642	3,112	2,165	1,210	2,729	3,530
Coffee										
Composite green price N.Y. (cts/lb.)	185.18	109.14	115.59	95.17	76.93	73.22	78.55	79.10	76.85	74.94
Imports, green bean equiv. (mil. lbs.) 2/	2,596	2,638	2,072	2,630	2,714	866	702	530	616	748
	Annual			1989	1990					
	1987	1988	1989	Oct	May	June	July	Aug	Sept	Oct
Tobacco										
Prices at auctions 3/										
Flue-cured (\$/lb.)	1.59	1.61	—	1.69	—	—	—	—	1.73	1.72
Burley (\$/lb.)	1.56	1.61	—	—	—	—	—	—	—	—
Domestic consumption 4/										
Cigarettes (bil.)	575.0	562.5	540.1	48.2	47.2	45.9	39.8	49.9	43.3	44.0
Large cigars (mil.)	2,728	2,531	2,467.6	211.4	205.0	221.6	164.4	210.8	195.5	191.1

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: sugar, Peter Buzzanell (202) 219-0888, coffee, Fred Gray (202) 219-0888, tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 26.—World Supply & Utilization of Major Crops, Livestock, & Products

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 P	1991/92 F
	Million units						
Wheat							
Area (hectares)	229.6	228.2	220.0	218.0	225.5	230.8	
Production (metric tons)	500.1	530.7	502.3	501.4	537.9	591.9	552.8
Exports (metric tons) 1/	85.0	90.7	104.9	97.2	96.5	92.7	96.4
Consumption (metric tons) 2/	496.2	522.5	530.3	532.0	534.7	569.7	556.0
Ending stocks (metric tons) 3/	168.2	176.4	148.4	117.9	121.1	143.2	140.1
Coarse grains							
Area (hectares)	341.3	338.5	324.5	326.1	321.0	318.3	
Production (metric tons)	843.1	831.9	794.8	732.4	800.4	825.2	826.1
Exports (metric tons) 1/	83.2	83.7	82.5	94.2	100.2	83.9	84.1
Consumption (metric tons) 2/	778.8	806.1	815.2	797.1	824.7	823.3	824.9
Ending stocks (metric tons) 3/	208.2	234.0	213.6	148.9	124.7	126.6	127.8
Rice, milled							
Area (hectares)	144.9	145.3	141.6	145.5	146.5	146.9	
Production (metric tons)	318.9	318.7	314.2	330.9	343.9	348.9	345.9
Exports (metric tons) 4/	12.6	12.9	11.9	15.1	12.0	12.7	12.7
Consumption (metric tons) 2/	319.4	322.7	320.0	328.6	337.3	346.8	348.0
Ending stocks (metric tons) 3/	55.4	51.4	45.6	48.0	54.5	56.6	56.4
Total grains							
Area (hectares)	715.8	710.0	686.1	689.6	693.0	696.0	
Production (metric tons)	1,662.1	1,681.3	1,611.3	1,564.7	1,682.2	1,766.0	1,724.8
Exports (metric tons) 1/	180.8	187.3	199.3	206.5	208.7	189.3	193.2
Consumption (metric tons) 2/	1,594.4	1,651.3	1,685.5	1,657.7	1,696.7	1,739.8	1,726.9
Ending stocks (metric tons) 3/	431.9	461.8	407.6	314.8	300.3	326.4	324.3
Oilseeds							
Crush (metric tons)	155.1	161.8	168.5	166.4	173.5	178.2	
Production (metric tons)	196.2	194.9	210.4	204.0	214.5	218.4	223.0
Exports (metric tons)	34.5	37.7	39.5	32.0	35.8	33.8	
Ending stocks (metric tons)	26.8	23.3	24.0	22.1	23.4	23.5	
Meals							
Production (metric tons)	105.0	110.7	115.4	112.2	118.0	120.1	
Exports (metric tons)	34.4	36.7	36.3	38.2	39.1	39.0	
Oils							
Production (metric tons)	49.4	50.4	53.3	53.9	57.5	58.5	
Exports (metric tons)	16.4	16.9	17.7	18.4	20.2	19.5	
Cotton							
Area (hectares)	31.7	29.5	31.0	33.7	31.5	33.4	
Production (bales)	80.7	70.9	81.3	84.9	80.1	86.7	91.0
Exports (bales)	20.3	26.0	23.2	25.9	23.9	23.8	23.5
Consumption (bales)	77.2	83.0	84.2	85.5	87.1	86.1	88.0
Ending stocks (bales)	48.5	36.0	32.8	32.1	25.6	26.4	29.2
	1985	1986	1987	1988	1989	1990 P	1991 F
Red meat							
Production (metric tons)	105.5	108.6	111.5	115.2	116.9	118.3	119.7
Consumption (metric tons)	103.4	107.4	109.7	113.4	115.2	116.8	118.2
Exports (metric tons) 1/	6.3	6.7	6.7	6.9	7.4	6.9	7.1
Poultry 5/							
Production (metric tons)	26.2	29.3	31.3	32.9	34.2	35.7	37.2
Consumption (metric tons)	25.8	28.9	30.8	32.5	33.8	35.1	36.6
Exports (metric tons) 1/	1.2	1.2	1.5	1.7	1.8	2.1	2.2
Dairy							
Milk production (metric tons)	413.4	425.9	425.9	429.1	435.0	440.9	442.4

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1986 data correspond with 1985/86, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. P = preliminary, F = forecast.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 27.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1990			1991			
	1988	1989	1990	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.97	4.65	3.72	4.40	3.09	3.10	3.05	3.13	3.28	3.31
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.73	2.85	2.79	3.02	2.56	2.63	2.71	2.74	2.79	2.81
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.52	2.70	2.65	2.79	2.51	2.60	2.68	2.72	2.80	2.79
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.81	7.06	6.24	6.24	6.09	6.13	6.03	6.08	6.14	6.20
Soybean oil, Decatur (cts./lb.)	23.52	20.21	22.75	23.20	20.75	21.26	21.42	21.48	22.20	21.48
Soybean meal, Decatur (\$/ton)	234.75	216.59	199.37	168.85	163.81	164.79	156.36	164.01	165.70	171.32
Cotton, 8—market avg. spot (cts./lb.)	57.25	63.78	71.25	71.31	69.48	69.92	70.51	77.69	77.92	79.93
Tobacco, avg. price at auction (cts./lb.)	153.61	151.56	164.61	164.68	169.88	170.09	171.81	171.70	170.89	171.12
Rice, f.o.b. mill, Houston (\$/cwt)	19.60	15.68	15.52	16.25	14.50	14.50	14.50	16.00	16.00	16.00
Inedible tallow, Chicago (cts./lb.)	16.64	14.71	13.54	13.77	14.09	14.25	14.43	12.91	14.43	14.80
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.21	1.04	0.81	0.84	0.80	0.82	0.82	0.80	0.82	0.80
Rubber, N.Y. spot (cts./lb.)	59.20	50.85	48.28	45.64	46.28	47.03	47.47	48.92	49.09	45.92
Cocoa beans, N.Y. (\$/lb.)	0.69	0.55	0.55	0.59	0.58	0.56	0.55	0.53	0.53	0.50

Information contact: Mary Teymourian (202) 219-0824.

Table 28.—Indexes of Real Trade-Weighted Dollar Exchange Rates¹

	1990					1991				
	Aug	Sept	Oct	Nov	Dec P	Jan P	Feb P	Mar P	Apr P	May P
	1985 = 100									
Total U.S. trade 2/	63.4	63.1	61.1	60.1	60.8	61.0	60.8	63.5	66.5	67.5
Agricultural trade										
U.S. markets	79.2	78.6	76.8	75.9	76.4	76.6	75.7	77.8	79.3	79.6
U.S. competitors	76.3	75.3	75.3	74.0	74.2	75.8	75.3	76.9	78.0	78.4
Wheat										
U.S. markets	96.4	96.3	95.7	94.9	96.3	97.5	97.0	98.2	99.1	99.7
U.S. competitors	72.3	70.8	69.6	68.6	68.0	69.2	68.7	70.3	71.1	71.4
Soybeans										
U.S. markets	67.1	66.3	64.3	63.3	64.0	64.2	63.0	65.6	68.4	69.2
U.S. competitors	63.7	58.2	57.9	54.0	53.1	59.0	59.1	59.0	59.0	59.0
Corn										
U.S. markets	73.9	72.3	70.1	69.4	70.3	70.3	69.2	71.5	72.3	72.7
U.S. competitors	69.6	65.2	61.9	58.8	57.5	61.7	61.2	63.7	65.3	66.1
Cotton										
U.S. markets	75.9	74.9	73.1	72.6	73.5	73.6	72.7	74.7	75.5	75.9
U.S. competitors	60.8	59.5	58.5	55.9	55.1	64.9	64.0	63.2	63.4	62.7

^{1/} Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of *Agricultural Outlook* for a discussion of the calculations and the weights used. ^{2/} Federal Reserve Board index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter, David Stallings (202) 219-0718.

Table 29.—Trade Balance

	Fiscal year 1/								Mar
	1984	1985	1986	1987	1988	1989	1990	1991 F	1991
	\$ million								
Exports									
Agricultural	38,027	31,201	26,312	27,876	35,316	39,637	40,182	37,000	3,636
Nonagricultural	170,014	179,236	179,291	202,911	258,656	301,222	325,928	—	31,109
Total 2/	208,041	210,437	205,603	230,787	293,972	340,859	366,110	—	34,745
Imports									
Agricultural	18,916	19,740	20,884	20,650	21,014	21,477	22,514	22,500	1,962
Nonagricultural	297,736	313,722	342,848	367,374	409,138	441,074	458,147	—	36,447
Total 3/	316,652	333,462	363,730	388,024	430,152	462,551	480,661	—	38,409
Trade balance									
Agricultural	19,111	11,461	5,428	7,226	14,302	18,160	17,668	14,500	1,674
Nonagricultural	-127,722	-134,486	-163,555	-184,463	-150,482	-139,852	-132,219	—	-5,338
Total	-108,611	-123,025	-158,127	-157,237	-136,180	-121,692	-114,551	—	-3,664

^{1/} Fiscal years begin October 1 & end September 30. Fiscal year 1990 began Oct. 1, 1989 & ended Sept. 30, 1990. ^{2/} Domestic exports including Department of Defense shipments (F.A.S. value). ^{3/} Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 30.—U.S. Agricultural Exports & Imports

	Fiscal year*			Mar	Fiscal year*			Mar
	1989	1990	1991 F	1991	1989	1990	1991 F	1991
EXPORTS	1,000 units				\$ million			
Animals, live (no.) 1/	758	685	—	93	475	381	—	31
Meats & preps., excl. poultry (mt)	869	876	2/ 700	78	2,355	2,457	—	224
Dairy products (mt) 1/	192	92	—	3	475	348	400	22
Poultry meats (mt)	428	567	600	81	510	631	—	69
Fats, oils, & greases (mt)	1,377	1,264	1,100	105	531	459	—	39
Hides & skins incl. furskins	—	—	—	—	1,713	1,798	—	124
Cattle hides, whole (no.) 1/	26,280	24,777	—	1,848	1,380	1,365	—	95
Mink pelts (no.) 1/	3,073	5,128	—	328	91	116	—	5
Grains & feeds (mt)	114,692	112,987	—	10,109	16,829	15,694	3/ 12,600	1,237
Wheat (mt)	37,641	27,999	26,500	3,055	6,004	4,209	4/ 3,000	288
Wheat flour (mt)	1,176	882	1,000	124	255	203	—	21
Rice (mt)	3,041	2,501	2,400	200	955	829	700	64
Feed grains, incl. products (mt)	60,958	69,510	54,800	5,675	7,374	8,093	6,000	638
Feeds & fodders (mt)	11,086	11,125	5/ 11,500	999	1,849	1,826	—	173
Other grain products (mt)	790	970	—	86	514	665	—	53
Fruits, nuts, & preps. (mt)	2,555	2,873	—	225	2,394	2,789	—	229
Fruit juices incl.	—	—	—	—	—	—	—	—
froz. (1,000 hectoliters) 1/	4,997	5,975	—	498	264	328	—	27
Vegetables & preps. (mt)	1,665	2,243	—	221	1,542	2,079	—	224
Tobacco, unmanufactured (mt)	212	220	200	25	1,274	1,373	1,400	129
Cotton, excl. linters (mt)	1,441	1,666	1,800	243	2,040	2,704	3,000	387
Seeds (mt)	511	576	—	38	507	576	600	68
Sugar, cane or beet (mt)	368	447	—	44	134	187	—	18
Oilseeds & products (mt)	21,052	23,772	—	2,399	6,629	6,098	5,600	591
Oilseeds (mt)	14,592	17,703	—	1,828	4,363	4,246	—	437
Soybeans (mt)	14,093	17,217	15,400	1,790	4,085	3,939	3,500	408
Protein meal (mt)	4,963	4,767	—	503	1,358	1,022	—	100
Vegetable oils (mt)	1,498	1,302	—	67	908	830	—	54
Essential oils (mt)	13	14	—	1	171	182	—	15
Other	106	89	—	8	1,802	2,120	—	200
Total	145,481	147,686	131,000	13,560	39,637	40,182	37,000	3,636
IMPORTS								
Animals, live (no.) 1/	2,485	2,940	—	290	740	1,053	1,100	105
Meats & preps., excl. poultry (mt)	1,091	1,142	—	93	2,432	2,848	—	239
Beef & veal (mt)	668	754	750	62	1,525	1,842	1,800	154
Pork (mt)	371	340	370	27	778	888	1,000	75
Dairy products (mt) 1/	211	254	—	16	834	951	900	55
Poultry & products 1/	—	—	—	—	130	129	—	8
Fats, oils, & greases (mt)	14	19	—	2	14	15	—	1
Hides & skins, incl. furskins 1/	—	—	—	—	241	135	—	11
Wool, unmanufactured (mt)	62	47	—	3	319	187	—	11
Grains & feeds (mt)	3,487	3,471	3,500	353	1,139	1,181	1,200	101
Fruits, nuts, & preps., excl. juices (mt)	5,036	5,331	5,300	588	2,269	2,488	—	274
Bananas & plantains (mt)	3,039	3,236	3,200	284	851	926	1,000	83
Fruit juices (1,000 hectoliters) 1/	27,747	33,922	30,000	2,100	792	1,001	—	51
Vegetables & preps. (mt)	2,217	2,242	—	302	1,959	2,264	2,100	242
Tobacco, unmanufactured (mt)	169	193	180	18	521	588	600	58
Cotton, unmanufactured (mt)	13	30	—	1	8	20	—	1
Seeds (mt)	158	171	170	39	187	164	200	23
Nursery stock & cut flowers 1/	—	—	—	—	468	519	—	48
Sugar, cane or beet (mt)	1,657	1,769	—	154	620	734	—	56
Oilseeds & products (mt)	1,917	2,034	—	196	946	964	1,000	86
Oilseeds (mt)	424	534	—	43	159	206	—	14
Protein meal (mt)	359	310	—	32	65	48	—	5
Vegetable oils (mt)	1,133	1,189	—	122	721	710	—	68
Beverages excl. fruit juices (1,000 hectoliters) 1/	13,967	13,543	—	998	1,815	1,867	—	142
Coffee, tea, cocoa, spices	1,887	2,202	3,200	166	3,898	3,465	—	284
Coffee, incl. products (mt)	1,084	1,290	1,200	98	2,467	1,997	2,000	172
Cocoa beans & products (mt)	564	698	650	51	969	1,042	1,000	79
Rubber & allied gums (mt)	927	840	850	71	1,051	712	700	60
Other	—	—	—	—	1,097	1,229	—	108
Total	—	—	—	—	21,477	22,514	22,500	1,962

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1990 began Oct. 1, 1989 & ended Sept. 30, 1990. 1/ Not included in total volume and also other dairy products for 1989 & 1990. 2/ Forecasts for footnoted items 2/—4/ are based on slightly different groups of commodities. Fiscal 1990 exports of categories used in the 1991 forecasts were 2/ 876,000 m. tons. 3/ 16,014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m. tons. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822

Table 31.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Mar	Change from year* earlier			Mar
	1989	1990	1991 F	1991	1989	1990	1991 F	1991
	\$ million				Percent			
WESTERN EUROPE	7,074	7,331	7,300	708	-12	4	0	-20
European Community (EC-12)	6,565	6,838	6,800	652	-12	4	0	-21
Belgium-Luxembourg	431	431	—	48	1	0	—	92
France	474	489	—	51	-18	-1	—	25
Germany, Fed. Rep.	918	1,096	—	120	-28	19	—	-21
Italy	609	704	—	55	-15	16	—	-26
Netherlands	1,847	1,637	—	128	-12	-11	—	-43
United Kingdom	736	781	—	69	-10	3	—	-3
Portugal	307	339	—	16	-10	10	—	-62
Spain, incl. Canary Islands	876	991	—	128	3	13	—	-17
Other Western Europe	510	493	500	56	-2	-3	0	-4
Switzerland	166	171	—	26	-14	3	—	24
EASTERN EUROPE	422	533	500	28	-24	26	0	-57
German Dem. Rep.	72	58	—	0	8	-20	—	-100
Poland	45	101	—	4	-73	127	—	76
Yugoslavia	76	129	—	4	-26	69	—	286
Romania	62	210	—	6	-33	239	—	-82
USSR	3,299	3,999	1,600	366	70	-9	-47	12
ASIA	18,677	18,131	16,600	1,537	17	-3	-8	-13
West Asia (Mideast)	2,273	1,995	1,800	152	19	-12	0	-36
Turkey	238	256	—	26	97	9	—	-33
Iraq	791	497	0	0	8	-37	-100	-100
Israel, incl. Gaza & W. Bank	331	285	—	38	-1	-14	—	131
Saudi Arabia	482	502	600	36	4	4	20	-16
South Asia	1,161	729	—	22	44	-37	—	-58
Bangladesh	213	125	—	12	98	-41	—	283
India	243	115	—	9	-31	-53	—	-38
Pakistan	599	391	200	1	117	-35	-50	-97
China	1,496	909	700	100	144	-39	-22	37
Japan	8,148	8,106	7,900	707	12	-1	-8	-7
Southeast Asia	976	1,184	—	135	-4	21	—	-5
Indonesia	216	277	—	43	-9	28	—	28
Philippines	344	351	400	29	0	2	0	-15
Other East Asia	4,823	5,207	4,800	421	7	13	-12	-16
Taiwan	1,594	1,818	1,800	164	1	14	-11	4
Korea, Rep.	2,453	2,703	2,300	201	9	10	-15	-28
Hong Kong	575	685	700	56	18	19	0	-16
AFRICA	2,280	2,009	1,700	177	0	-12	-15	-18
North Africa	1,796	1,524	1,300	127	8	-15	-13	-28
Morocco	216	166	—	10	12	-23	—	-18
Algeria	549	488	500	33	2	-11	0	-33
Egypt	955	781	700	77	21	-20	-13	-31
Sub-Saharan	483	484	400	50	-21	0	0	27
Nigeria	30	32	—	7	-31	7	—	296
Rep. S. Africa	57	81	—	9	-34	43	—	31
LATIN AMERICA & CARIBBEAN	5,437	5,156	5,000	444	24	-5	-2	10
Brazil	149	105	200	5	-15	-30	100	-3
Caribbean Islands	1,007	1,006	—	85	16	0	—	11
Central America	448	464	—	41	8	4	—	-1
Colombia	139	147	—	5	-22	6	—	-42
Mexico	2,755	2,666	2,500	266	80	-3	-7	17
Peru	81	187	—	5	-54	132	—	-47
Venezuela	587	345	400	16	-2	-41	33	4
CANADA	2,179	3,716	4,000	349	10	71	8	-2
OCEANIA	268	317	300	25	13	18	0	19
TOTAL	39,637	40,182	37,000	3,636	12	7	-8	-10
Developed countries	17,997	19,780	19,900	1,834	1	10	1	-10
Less developed countries	16,423	15,970	14,200	1,307	14	-3	-11	-15
Centrally planned countries	5,217	4,431	2,198	495	68	-15	-34	6

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1990 began Oct. 1, 1989 & ended Sept. 30, 1990. F = forecast. — = not available.
 Note: Adjusted for transshipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822.

Farm Income

Table 32.—Farm Income Statistics

	Calendar year										
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 F	1991 F
	\$ billion										
1. Farm receipts	144.1	147.2	141.3	147.1	149.4	140.2	147.6	155.9	166.6	174	170 to 178
Crops (incl. net CCC loans)	72.5	72.3	67.2	69.9	74.3	63.7	65.6	71.4	75.4	78	76 to 80
Livestock	69.2	70.3	69.6	72.9	69.8	71.5	76.0	78.8	83.7	89	86 to 90
Farm related 1/	2.6	4.6	4.5	4.3	5.3	5.0	6.0	6.7	7.4	6	6 to 7
2. Direct Government payments	1.9	3.5	9.3	8.4	7.7	11.8	10.7	14.5	10.9	9	8 to 9
Cash payments	1.9	3.5	4.1	4.0	7.6	8.1	6.6	7.1	9.1	8	7 to 8
Value of PIK commodities	0.0	0.0	5.2	4.5	0.1	3.7	10.1	7.4	1.7	1	0 to 1
3. Total gross farm income (4+5+6) 2/	166.3	163.6	153.2	170.2	162.9	166.6	169.0	173.8	189.2	193	188 to 193
4. Gross cash income (1+2)	146.0	150.6	150.6	155.6	157.2	152.0	164.3	170.4	177.5	183	179 to 184
5. Nonmoney income 3/	13.8	14.3	13.5	8.7	8.0	6.9	7.5	7.6	7.3	8	7 to 9
6. Value of inventory change	6.5	-1.4	-10.9	6.0	-2.3	-2.4	-2.8	-4.1	4.4	3	0 to 3
7. Cash expenses 4/	113.2	112.8	111.0	119.0	109.3	105.2	108.2	112.3	122.8	125	124 to 129
8. Total expenses	139.4	140.0	137.9	143.8	131.9	125.6	127.7	132.1	142.6	146	145 to 150
9. Net cash income (4-7)	32.9	37.9	39.6	36.6	47.9	46.7	56.1	58.1	64.6	58	52 to 67
10. Net farm income (3-6)	26.9	23.6	16.3	26.3	31.0	31.0	41.3	41.8	46.7	47	40 to 45
Deflated (1982\$)	26.6	23.6	14.7	24.6	27.9	27.3	35.2	34.4	36.9	36	30 to 33
11. Off-farm income	35.8	36.4	37.0	39.2	55.2	54.5	56.9	57.7	57.5	—	—
12. Loan charges 5/ Real estate	9.0	3.6	2.3	-2.0	-6.4	-8.7	-7.7	-4.1	-2.1	—	—
13. 5/ Non-real estate	6.5	3.4	0.9	-0.8	-9.6	-11.0	-4.6	-0.3	0.1	—	—
14. Rental income plus monetary change	6.4	6.4	6.4	9.2	9.1	8.0	6.8	7.5	8.2	—	—
15. Capital expenditures 6/	16.8	13.3	12.7	12.6	9.2	8.5	11.1	11.1	13.0	—	—
16. Net cash flow (9+12+13+14-15)	37.8	38.2	35.3	30.4	31.9	26.6	39.6	50.2	46.0	—	—

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. 5/ Excludes farm households. Total may not add because of rounding. F = forecast. — = not available.

Information contact: Diane Bertelsen (202) 219-0809.

Table 33.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 F	1991 F
	\$ billion										
Assets											
Real estate	785.6	750.0	753.3	661.7	586.1	542.2	578.6	599.4	605.1	618	620 to 630
Non-real estate	196.8	195.8	191.9	196.9	187.4	182.1	195.3	203.6	212.0	220	218 to 228
Livestock & poultry	53.5	53.0	49.5	49.5	46.3	47.8	56.0	62.2	66.2	71	70 to 74
Machinery & motor vehicles	87.0	87.5	87.4	86.0	83.8	81.9	79.4	80.6	83.8	86	85 to 89
Crops stored 2/	29.0	26.1	24.0	26.2	22.9	18.0	19.5	21.9	22.6	23	21 to 24
Purchased inputs	—	—	—	2.6	1.3	2.0	3.3	3.4	2.8	3	2 to 4
Financial assets	27.3	29.0	30.9	32.6	33.1	34.4	35.1	35.5	36.6	37	36 to 40
Total farm assets	982.4	945.6	945.2	858.6	773.5	724.3	773.9	803.0	817.1	838	845 to 855
Liabilities											
Real estate debt 3/	98.7	101.8	103.2	106.7	100.1	90.4	82.4	77.6	75.3	74	73 to 77
Non-real estate debt 4/	83.6	87.0	87.9	87.1	77.5	66.6	62.0	61.7	61.8	65	63 to 67
Total farm debt	182.3	188.8	191.1	193.8	177.6	157.0	144.4	139.4	137.1	139	137 to 143
Total farm equity	800.0	750.0	754.1	664.8	595.9	567.3	629.5	663.6	680.0	699	705 to 715
	Percent										
Selected ratios											
Debt-to-assets	18.6	20.0	20.2	22.6	23.0	21.7	18.7	17.4	16.8	17	16 to 17
Debt-to-equity	22.8	24.9	25.3	29.2	29.8	27.7	22.9	21.0	20.2	20	19 to 21
Debt-to-net cash income	566	498	424	530	371	336	257	240	251	240	240 to 260

1/ As of Dec. 31. 2/ Non-COC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 34.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1989	1990	Feb 1991	Mar 1991	1989	1990	Feb 1991	Mar 1991	1989	1990	Feb 1991	Mar 1991
	\$ million 2/											
NORTH ATLANTIC												
Maine	215	214	17	20	233	228	20	24	447	439	38	44
New Hampshire	83	83	8	8	79	78	4	7	142	141	10	13
Vermont	375	391	28	30	51	52	2	8	428	443	30	38
Massachusetts	112	112	9	10	317	297	12	17	429	409	21	28
Rhode Island	13	13	1	1	66	66	3	5	79	79	4	8
Connecticut	188	190	18	18	218	237	13	19	404	428	29	37
New York	1,948	2,005	129	148	911	941	57	85	2,857	2,945	185	233
New Jersey	197	200	18	17	483	478	19	30	680	678	35	47
Pennsylvania	2,595	2,707	190	210	988	1,078	79	98	3,581	3,783	268	308
NORTH CENTRAL												
Ohio	1,898	1,872	124	142	2,114	2,251	151	184	3,812	4,123	274	307
Indiana	1,817	2,048	152	187	2,502	2,848	178	179	4,318	4,896	328	348
Illinois	2,252	2,568	182	198	4,458	5,324	404	468	8,710	7,892	587	688
Michigan	1,313	1,432	101	114	1,827	1,713	113	142	2,940	3,145	213	256
Wisconsin	4,337	4,578	314	342	941	1,047	53	48	5,278	5,622	367	390
Minnesota	3,718	4,082	282	294	2,809	3,174	125	187	6,528	7,258	408	481
Iowa	5,209	6,048	418	444	3,911	4,469	245	388	9,119	10,518	661	832
Missouri	2,168	2,401	153	195	1,732	1,835	100	118	3,900	4,037	254	310
North Dakota	642	685	77	80	1,465	1,775	78	101	2,108	2,459	155	181
South Dakota	2,108	2,352	184	177	884	1,048	60	60	2,992	3,399	244	238
Nebraska	5,643	6,042	588	439	2,878	2,823	166	211	8,521	8,864	731	850
Kansas	4,245	4,508	448	527	2,079	2,182	115	123	6,324	6,690	563	650
SOUTHERN												
Delaware	503	482	35	35	180	183	8	8	683	645	42	43
Maryland	870	857	81	87	478	503	25	32	1,348	1,380	87	99
Virginia	1,372	1,434	94	111	685	718	28	31	2,058	2,152	122	142
West Virginia	250	249	17	21	64	65	4	5	314	314	21	27
North Carolina	2,505	2,550	185	214	2,048	2,184	45	66	4,551	4,714	230	280
South Carolina	551	567	42	48	875	584	15	21	1,225	1,150	58	89
Georgia	2,270	2,200	163	194	1,598	1,588	48	60	3,868	3,788	209	254
Florida	1,221	1,289	93	104	4,982	4,240	410	824	8,203	5,529	503	728
Kentucky	1,870	1,774	85	101	1,258	1,414	81	55	2,928	3,188	166	156
Tennessee	1,080	1,164	82	91	881	908	60	42	1,921	2,072	142	133
Alabama	1,932	1,940	154	175	698	687	28	38	2,828	2,807	183	211
Mississippi	1,292	1,288	95	109	1,000	1,099	50	53	2,292	2,387	145	161
Arkansas	2,681	2,537	187	358	1,470	1,543	65	68	4,131	4,080	252	425
Louisiana	814	836	41	47	1,048	1,268	47	45	1,861	1,902	88	92
Oklahoma	2,409	2,604	129	188	1,185	1,135	45	48	3,594	3,739	174	234
Texas	8,863	7,494	645	705	3,897	4,018	274	229	10,760	11,510	919	923
WESTERN												
Montana	899	915	73	83	710	749	40	44	1,810	1,684	113	127
Idaho	1,048	1,107	90	97	1,870	1,703	66	83	2,715	2,810	157	180
Wyoming	669	719	37	40	188	159	8	8	858	879	43	48
Colorado	2,649	2,803	215	272	1,250	1,176	87	73	3,899	3,979	283	345
New Mexico	974	1,050	56	78	450	450	17	17	1,424	1,500	73	93
Arizona	744	782	60	70	1,158	1,004	55	128	1,902	1,785	115	198
Utah	574	603	40	53	174	168	8	11	748	771	48	64
Nevada	141	141	20	18	94	100	10	11	235	241	30	30
Washington	1,201	1,308	100	107	2,438	2,447	218	195	3,639	3,752	317	301
Oregon	739	779	54	63	1,558	1,532	77	83	2,297	2,311	131	148
California	5,093	5,301	369	500	12,422	11,729	692	965	17,515	17,030	1,081	1,465
Alaska	9	9	1	1	20	20	1	1	29	29	2	2
Hawaii	92	92	7	8	495	491	37	42	587	583	44	49
UNITED STATES	83,724	89,181	6,642	7,514	75,449	77,535	4,522	5,557	159,173	166,696	11,164	13,071

1/ Sales of farm products include receipts from commodities placed under CCC loans minus value of redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0808.

Table 35.—Cash Receipts From Farming

	Annual						1990			1991		
	1985	1986	1987	1988	1989	1990	Mar	Nov	Dec	Jan	Feb	Mar
	\$ million											
Farm marketings & CCC loans*	144,114	135,197	141,653	150,192	159,173	166,896	12,284	17,167	14,841	15,636	11,164	13,071
Livestock & products	69,822	71,539	76,010	78,821	83,724	89,161	7,365	8,051	7,608	7,527	6,642	7,614
Meat animals	38,550	39,081	44,478	45,884	46,591	51,693	4,138	5,021	4,898	4,694	4,074	4,405
Dairy products	18,055	17,724	17,727	17,641	19,401	20,158	1,718	1,494	1,519	1,459	1,347	1,492
Poultry & eggs	11,209	12,701	11,517	12,867	15,346	14,960	1,352	1,226	1,240	1,179	1,080	1,440
Other	2,008	2,034	2,288	2,429	2,386	2,352	161	311	151	195	161	177
Crops	74,293	63,658	65,643	71,372	75,449	77,535	4,919	9,106	7,233	8,109	4,522	5,557
Food grains	8,990	5,741	5,780	7,464	8,073	7,966	309	890	482	734	252	302
Feed crops	22,591	16,912	14,543	14,305	16,656	18,991	1,254	2,264	1,796	2,462	1,179	1,356
Cotton (lint & seed)	3,687	3,371	4,189	4,548	4,740	5,067	284	1,016	993	758	377	252
Tobacco	2,699	1,921	1,826	1,990	2,381	2,701	2	436	318	421	41	1
Oil-bearing crops	12,475	10,614	11,294	13,537	12,172	12,432	835	1,837	1,074	1,465	743	847
Vegetables & melons	6,572	8,849	9,869	9,754	11,340	11,178	923	552	493	755	593	1,054
Fruits & tree nuts	6,948	7,248	8,058	9,139	9,020	7,978	340	941	828	788	621	757
Other	8,333	9,002	10,064	10,665	11,066	11,223	971	1,579	1,250	727	717	987
Government payments	7,704	11,813	16,747	14,480	10,887	9,298	2,389	1,667	1,864	53	496	1,746
Total	151,818	147,010	158,400	164,672	170,060	175,994	14,673	18,824	19,705	15,689	11,660	14,817

* Receipts from loans represent value of commodities placed under CCC loans minus value of redemptions during the month.

Information contact: Roger Strickland (202) 219-0806.

Table 36.—Farm Production Expenses

	Calendar year										
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 F	1991 F
	\$ million										
Feed	20,855	18,592	20,371	20,239	17,247	17,875	17,958	20,620	22,722	22,000	21,000 to 23,000
Livestock	8,999	9,664	8,818	9,486	9,184	9,758	11,842	12,812	12,983	14,000	13,000 to 15,000
Seed	3,428	3,172	2,690	3,386	3,128	3,188	3,259	3,268	3,733	4,000	3,000 to 5,000
Farm-origin inputs	33,262	31,447	31,879	33,112	29,559	30,821	33,059	36,700	39,438	40,000	38,000 to 42,000
Fertilizer	9,409	8,018	6,959	8,674	7,506	8,813	8,453	8,776	7,554	7,000	6,000 to 8,000
Fuels & oils	8,570	7,734	7,211	7,296	6,438	5,310	4,957	4,021	5,321	6,000	5,000 to 7,000
Electricity	1,747	2,041	1,982	2,060	1,878	1,795	2,156	2,231	2,100	2,000	2,000 to 3,000
Pesticides	4,201	4,282	3,870	4,688	4,334	4,324	4,512	4,443	5,721	6,000	5,000 to 7,000
Manufactured inputs	23,927	22,076	20,022	22,618	20,153	18,242	18,077	18,370	20,697	21,000	20,000 to 23,000
Short-term interest	10,722	11,349	10,615	10,396	8,735	7,920	7,306	7,287	7,480	8,000	7,000 to 9,000
Real estate interest 1/	9,142	10,481	10,615	10,733	9,878	9,131	8,187	7,885	7,643	7,000	6,000 to 8,000
Total interest charges	19,864	21,830	21,430	21,129	18,613	17,052	15,492	15,172	15,123	15,000	14,000 to 16,000
Repair & maintenance 1/ 2/	7,021	6,428	6,529	6,730	6,556	6,485	6,828	6,889	7,794	8,000	8,000 to 9,000
Contract & hired labor	8,931	10,075	9,725	9,729	9,799	9,890	10,821	11,202	11,887	12,000	11,000 to 13,000
Machine hire & custom work	1,984	2,025	2,213	2,566	2,354	2,099	2,105	2,271	2,739	3,000	2,000 to 4,000
Marketing, storage, & transportation	3,523	4,301	3,904	4,012	4,127	3,652	3,988	3,281	4,214	5,000	4,000 to 6,000
Misc. operating expenses 1/	6,909	7,262	6,689	6,138	6,198	6,054	6,002	6,357	6,857	10,000	10,000 to 12,000
Other operating expenses	28,366	30,089	31,461	32,173	31,034	30,180	32,644	33,000	36,491	38,000	37,000 to 41,000
Capital consumption 1/	23,573	24,287	23,873	21,623	19,648	17,709	16,475	16,716	17,310	18,000	17,000 to 20,000
Taxes 1/	4,246	4,050	4,123	4,188	4,484	4,549	4,982	5,090	5,328	6,000	5,000 to 6,000
Net rent to nonoperator landlord	6,164	6,174	6,110	8,978	8,435	6,951	6,964	7,014	8,181	8,000	8,000 to 9,000
Other overhead expenses	34,003	34,511	33,106	34,787	32,567	29,209	28,420	28,820	30,819	32,000	31,000 to 34,000
Total production expenses	139,444	139,954	137,897	143,819	131,926	125,503	127,693	132,063	142,566	146,000	145,000 to 150,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases & dairy assessments. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Diane Bertelsen (202) 219-0809.

Table 37.—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1983	1984	1985	1986	1987	1988	1989	1990	1991 E	1992 E
	\$ million									
Feed grains										
Corn	5,720	-934	4,403	10,524	12,348	8,227	2,883	2,450	2,364	2,665
Grain sorghum	814	76	483	1,185	1,203	764	487	361	298	262
Barley	268	89	336	471	394	57	45	-93	53	125
Oats	11	5	2	26	17	-2	1	-5	14	18
Corn & oat products	2	6	7	5	7	7	8	8	5	5
Total feed grains	6,815	-758	5,211	12,211	13,967	9,053	3,384	2,721	2,737	3,073
Wheat	3,419	2,536	4,691	3,440	2,836	678	53	806	2,647	2,519
Rice	664	333	990	947	906	128	631	667	818	775
Upland cotton	1,363	244	1,553	2,142	1,786	666	1,461	-79	389	823
Tobacco	880	346	455	253	-346	-453	-367	-307	-217	-85
Dairy	2,528	1,502	2,085	2,337	1,166	1,295	679	505	666	392
Soybeans	288	-585	711	1,597	-476	-1,676	-86	5	22	-21
Peanuts	-6	1	12	32	8	7	13	1	3	-3
Sugar	49	10	184	214	-65	-248	-25	15	0	-26
Honey	48	90	81	89	73	100	42	47	46	25
Wool	94	132	109	123	152	1/ 5	93	104	175	175
Operating expense 3/	328	362	346	457	535	614	620	618	721	773
Interest expenditure	3,525	1,064	1,435	1,411	1,219	425	98	632	604	480
Export programs 4/	398	743	134	102	276	200	-102	-34	1,256	1,053
1989/90 Disaster/										
Livestock Assistance	0	0	0	0	0	0	3,819 2/	161	91	0
Other	-1,542	1,295	-314	488	371	1,695	110	609	890	1,126
Total	18,851	7,315	17,683	25,841	22,408	12,461	10,523	6,471	10,844	11,079
FUNCTION										
Price-support loans (net)	8,438	-27	6,272	13,828	12,199	4,579	-926	-398	201	458
Direct payments 5/										
Deficiency	2,780	612	6,302	6,166	4,833	3,971	5,798	4,178	6,117	6,574
Diversion	705	1,504	1,525	64	382	8	-1	0	0	0
Dairy termination	0	0	0	489	587	280	168	189	100	11
Other	0	0	0	27	60	0	42	3	12	12
Disaster	115	1	0	0	0	6	4	0	0	0
Total direct payments	3,600	2,117	7,827	6,746	5,862	4,245	6,011	4,370	6,229	6,597
1988/89 crop disaster	0	0	0	0	0	0	3,388	2/ 5	5	0
Emergency livestock/										
forage assistance	0	0	0	0	0	31	533	156	86	0
Purchases (net)	2,540	1,470	1,331	1,670	-479	-1,131	116	-48	381	512
Producer storage										
payments	964	268	329	485	832	658	174	185	26	0
Processing, storage,										
& transportation	665	639	657	1,013	1,659	1,113	659	317	305	202
Operating expense 3/	328	362	346	457	535	614	620	618	721	773
Interest expenditure	3,525	1,064	1,435	1,411	1,219	425	98	632	604	480
Export programs 4/	398	743	134	102	276	200	-102	-34	1,256	1,053
Other	-1,607	679	-648	329	305	1,727	-48	669	1,030	1,004
Total	18,851	7,315	17,683	25,841	22,408	12,461	10,523	6,471	10,844	11,079

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Export Guarantee Program—Credit Reform, Direct Export Credit Program, Market Promotion Program, & CCC Transfers to the General Sales Manager. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83–85 & generic certificates in fiscal 86–90. E = Estimated in the fiscal 1992 President's Budget based on November, 1990 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Food Expenditures

Table 38.—Food Expenditure Estimates

	Annual			1991			1991 year-to-date		
	1988	1989	1990	Mar	Apr P	May P	Mar	Apr P	May P
\$ billion									
Sales 1/ Off-premise use 2/ Meals & snacks 3/	255.7 196.5	272.1 205.9	286.3 220.3	24.7 18.8	23.4 18.5	25.7 19.3	69.7 52.4	93.1 70.9	118.8 90.2
1990 \$ billion									
Sales 1/ Off-premise use 2/ Meals & snacks 3/	290.2 215.2	289.5 215.6	286.2 220.2	24.0 18.4	22.6 18.0	24.9 18.2	67.7 51.3	90.3 69.3	115.2 88.0
Percent change from year earlier (\$ bil.)									
Sales 1/ Off-premise use 2/ Meals & snacks 3/	4.8 8.7	6.4 4.8	5.2 7.0	2.5 2.2	1.9 1.7	5.2 1.3	3.2 3.2	2.9 2.8	3.4 2.5
Percent change from year earlier (1990 \$ bil.)									
Sales 1/ Off-premise use 2/ Meals & snacks 3/	0.6 4.4	-0.2 0.2	-1.1 2.1	-0.5 -1.3	-2.5 -1.3	0.6 -2.0	-0.1 -0.7	-0.7 -0.9	-0.4 -1.2

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rpt. No. 575, Aug 1987.

Information contact: Aiden Manchester (202) 219-0880.

Transportation

Table 39.—Rail Rates; Grain & Fruit/Vegetable Shipments

	Annual			1990			1991			
	1988	1989	1990	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Rail freight rate index 1/ (Dec. 1984=100)										
All products	104.8	106.4	107.5	107.1	108.5	108.5	108.5 P	108.8 P	109.7 P	109.6 P
Farm products	105.6	108.4	110.4	109.9	111.8	111.8	111.6 P	111.6 P	112.3 P	112.4 P
Grain	105.4	108.7	110.1	109.7	111.3	111.3	111.1 P	111.0 P	111.8 P	112.0 P
Food products	103.2	103.9	105.4	105.2	108.8	106.8	106.5 P	107.6 P	108.1 P	108.3 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	30.7	28.4	27.7	27.9	27.2	24.4 P	26.5 P	28.6 P	28.1 P	24.9 P
Fresh fruit & vegetable shipments										
Piggy back (1,000 cwt) 3/ 4/	535	502	421	403	352	341	277	316	277	248
Rail (1,000 cwt) 3/ 4/	507	500	532	452	537	506	495	410	407	334
Truck (1,000 cwt) 3/ 4/	9,679	9,745	9,565	10,296	9,735	9,360	8,251	8,753	9,110	9,841
Cost of operating trucks hauling produce 5/										
Owner operator (cts./mile)	118.7	124.1	131.0	127.5	138.8	135.9	138.4	131.1	129.3	128.4
Fleet operation (cts./mile)	118.4	123.4	130.5	127.1	136.4	135.4	135.9	130.5	128.5	128.1

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Weekly average; from Agricultural Marketing Service, USDA. 4/ Preliminary data for 1990 & 1991. 5/ Agricultural Marketing Service, USDA. P = preliminary.

Information contact: T.Q. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 40.—Indexes of Farm Production Input Use & Productivity

(See the June 1991 Issue.)

Information contact: Jim Hauver (202) 786-1459.

Food Supply & Use

Table 41.—Per Capita Consumption of Major Food Commodities¹

Commodity	1983	1984	1985	1986	1987	1988	1989	1990 2/
Pounds								
Red meats, poultry, & fish 3/4/5/	183.0	184.0	189.3	188.8	189.0	192.1	192.3	191.3
Red meats 5/6/	123.0	123.6	124.9	122.2	117.4	119.5	115.0	112.3
Beef	74.1	73.8	74.6	74.4	69.5	68.6	65.4	64.0
Veal	1.3	1.5	1.5	1.6	1.3	1.1	1.0	0.9
Lamb & mutton	1.1	1.1	1.1	1.0	1.0	1.0	1.1	1.1
Pork	47.4	47.2	47.7	45.2	45.6	48.8	48.4	46.3
Poultry 5/6/	45.8	47.2	49.4	51.3	55.6	57.4	60.8	63.6
Chicken	37.0	38.2	39.9	40.7	43.4	44.7	47.3	49.3
Turkey	8.9	9.0	9.5	10.6	12.1	12.6	13.5	14.4
Fish & shellfish	13.3	14.1	15.0	15.4	16.1	16.2	15.6	15.4
Eggs 6/	33.0	33.0	32.4	32.2	32.2	31.2	29.9	29.6
Dairy products								
Cheese (excluding cottage) 7/	20.6	21.6	22.5	23.1	24.1	23.7	23.8	—
Cottage cheese	4.1	4.1	4.1	4.1	3.9	3.9	3.5	—
Beverage milks 5/	226.5	227.3	229.7	228.6	226.5	222.3	219.0	—
Fluid whole milk 8/	130.3	126.9	123.4	116.5	111.9	105.7	95.8	—
Fluid lowfat milk 9/	85.6	88.9	93.7	98.7	100.6	100.5	104.2	—
Fluid skim milk	10.6	11.6	12.6	13.5	14.0	16.1	19.8	—
Fluid cream 10/	3.7	4.0	4.4	4.7	4.7	4.6	4.8	—
Yogurt (excluding frozen)	3.3	3.7	4.1	4.4	4.4	4.7	4.3	—
Ice cream	18.1	18.2	18.1	18.4	18.4	17.3	16.1	—
Ice milk	6.9	7.0	6.9	7.2	7.4	8.0	8.4	—
All dairy products, milk equivalent, milkfat basis	573.3	582.5	594.1	591.9	601.2	583.5	567.6	—
Fats & oils	63.1	61.9	67.4	67.6	66.0	66.0	63.9	—
Butter & margarine	15.3	15.3	15.7	16.0	15.1	14.8	14.5	—
Shortening	18.5	21.3	22.9	22.1	21.4	21.5	21.5	—
Lard & edible tallow (direct use)	4.2	3.8	3.7	3.5	2.8	2.6	2.7	—
Solid & cooking oils	23.6	19.9	23.5	24.2	25.4	25.8	23.9	—
Other edible fats & oils 11/	1.6	1.7	1.6	1.7	1.3	1.3	1.3	—
Fresh fruits 5/	89.9	88.3	86.1	92.5	97.2	95.1	93.9	—
Noncitrus 12/	61.4	65.1	64.2	67.3	72.3	69.5	70.1	—
Citrus 13/	28.5	23.2	21.9	25.2	24.9	25.6	23.8	—
Dried fruit	2.5	2.5	2.8	2.8	2.7	2.9	3.2	—
Frozen fruit	2.9	3.0	3.3	3.6	3.9	3.8	4.8	—
Frozen citrus juices 14/	41.7	35.7	40.5	43.2	40.2	40.1	36.1	—
Watermelons	10.2	13.0	12.2	11.5	11.7	12.3	12.4	—
Honeydews	1.7	1.8	2.0	2.4	2.2	2.3	2.4	—
Selected fresh vegetables 15/16/	80.8	87.9	88.5	88.4	93.5	96.7	100.0	—
Fresh market potatoes	47.8	46.9	44.9	47.6	47.1	49.6	48.0	—
Frozen potatoes	19.5	21.7	22.6	23.0	23.6	21.4	23.2	—
Sweet potatoes 15/17/	4.6	5.0	5.4	4.5	4.5	4.1	4.1	—
Peanuts (shelled)	5.9	6.1	6.3	6.4	6.4	6.9	7.0	6.3
Tree nuts (shelled)	2.2	2.3	2.3	2.2	2.2	2.3	2.4	—
Fresh mushrooms 15/	1.6	1.8	1.8	1.9	1.9	2.0	2.1	—
Processed mushrooms 15/	1.5	1.9	1.8	1.8	1.8	1.6	1.3	—
Flour & cereal products 18/	149.0	150.6	158.0	163.9	173.4	172.9	175.0	—
Wheat flour 19/	117.7	119.2	124.7	125.7	129.9	130.0	129.2	137.8
Rice (milled basis)	9.8	8.6	9.1	11.7	13.9	14.4	15.6	16.6
Corn products 20/	15.2	16.4	17.8	19.8	22.5	20.7	21.8	—
Oat products 21/	4.8	4.9	4.8	5.1	5.5	6.2	6.9	—
Barley products 22/	0.9	0.9	0.9	0.9	0.9	0.9	0.9	—
Caloric sweeteners 23/	124.3	127.0	130.0	129.1	132.6	133.2	134.3	137.2
Soft drinks (gal.)	27.4	28.5	30.6	32.0	30.6	31.9	32.0	—
Alcoholic beverages (gal.) 24/	41.7	41.1	40.5	40.6	40.0	39.5	38.9	—
Coffee (green bean equiv.)	10.1	10.2	10.5	10.5	10.2	9.8	10.3	—
Cocoa (chocolate liquor equiv.) 25/	3.2	3.4	3.7	3.8	3.9	3.8	3.9	—

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents the residual after exports, nonfood use, & ending stocks are subtracted from the sum of beginning stocks, domestic production, & imports. Data on a calendar year basis except fresh citrus fruits, apples, grapes, dried fruit, peanuts, wheat flour, rye flour, rice, oat products, & barley products, which are on a crop-year basis. 2/ Preliminary. 3/ Boneless, trimmed weight. 4/ Includes quantities used in commercial pet foods. 5/ Total may not add due to rounding. 6/ Excludes shipments to Puerto Rico & the Virgin Islands. 7/ Natural equivalent of cheese & cheese products. Total product weight is greater than natural equivalent because processed cheese & cheese food are made from natural cheese & other dairy products. Includes miscellaneous cheese not shown separately. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, & half & half. 11/ Includes confectioner's fat & other edible fats not shown separately. 12/ Apples, apricots, avocados, bananas, cherries, cranberries, figs, grapes, kiwifruit, mangoes, nectarines, olives, papayas, peaches, pears, persimmons, pineapples, plums & pomegranates. 13/ Grapefruit, lemons, limes, tangelos, & tangerines. 14/ Single-straight basis. 15/ Farm weight. 16/ Artichokes, asparagus, broccoli, carrots, cauliflower, celery, corn (on-cob basis), eggplant, garlic, iceberg lettuce, onions, & tomatoes. 17/ Fresh & processed. 18/ Includes rye flour, not shown separately. 19/ White, whole wheat, semolina, & durum flour. 20/ Flour, meal, hominy, grits, & starch. 21/ Rolled oats, ready-to-eat oat cereal, oat flour, & oat bran. 22/ Barley flour, pearl barley, & barley malt & malt extract used in food processing. 23/ Dry weight equivalent. Refined (cane & beet) sugar, corn sweeteners, edible syrups, & honey. 24/ Per capita for U.S. total population, 21 years & over. 25/ Chocolate liquor is what remains after cocoa beans have been roasted & hulled; it is sometimes called ground or bitter chocolate. — = not available.

Information contact: Judy Jones Putnam (202) 219-0870.

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